ANNUAL REPORT

OF THE

INDIAN MERCHANTS' CHAMBER

FOR THE YEAR

1922.

(Presented to the Annual General Meeting of the Chamber held on 24th February 1923).

Printed by

JADAVJI PITAMBER THAKKER, at the Lady Northcote Hindu Orphanage, K. N. Sailor Press, No. 33 Chinchpokli, Parel Road, Bombay.

Published by

J. K. MEHTA, Secretary, Indian Merchants' Chamber, Shale Building, 20, Bank Street, Fort, Bombay.

1923.

Presented

by

JEHANGIR BOMANJEE PETIT.

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Indian Merchants' Chamber.
SHALE BUILDING,
20, Bank Street,
BOMBAY.

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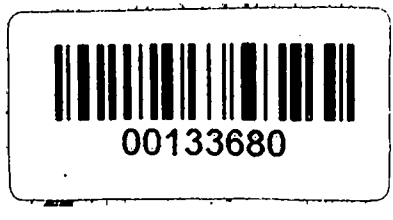
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LIST OF MEMBERS OF THE INDIAN MERCHANTS' CHAMBER.

Serial No.	Representatives of Members.	Names of Members.	Addresses.
1	Hon. Sir Dinshaw Edulji Wacha	Messrs. Morarjee Gocouldas & Co.	Sudama House, Ballard Estate Fort, Bombay
2	Mr. Chunilal Devkaran Nanji	,, Chhagandas & Co.	Circle, Fort, Bombay.
3	,, Pragji Surji	,, Pragji Surji & Co.	Vadgadi, Mandvi, Bombay 3
4	,, Mulji Haridas	Mr. Mulji Haridas	Carnac Bunder, Bombay 3
5	,, Manmohandas Ramji	Mr Manmohandas Ramji	20, Bank St. Fort, Bombay
6	,, Laxmidas Purshottam Vandravan	Messrs. Pragji Vandravan & Co.	Mulji Jetha Market, Chikhal Galli, Bombay
7	,, Haridas Morarji Veljl	,, Morarji Velji & Co.	,, ,, ,, Nava Govind Chawk, Bombay
8	,, Jamnadas Devidas	,, Jethabhai Govindji & Co.	,, ,, ,, Dharamdas Galli, Bombay
9	,, Kalianji Lalji	,, Valji Shamji & Co.	,, ,, ,, Chawk, Bombay
10	,, Vallabhdas Chaturbhuj Shivji	,, Chaturbhuj Shivji & Co.	,, ,, ,, Chikhal Galli, Bombay
11	,, Mathuradas Valji	,, Valji Sunderji & Co.	,, ,, ,, Ghadial Galli, Bombay
12	,, Bhukhandas Govindji	,, Bhukhandas Govindji & Co.	,, ,, ,, Nava Govind Chawk, Bombay
13	,, Dwarkadas Ravji Naranji	,, Ravjibhai Naranji & Co.	,, ,, ,, Navi Krishnaraj Galli, Bombay
14	,, Vasanji Naranji	,, Vasanji Naranji & Co.	,, ,, ,, Pragraj Galli, Bombay
15	,, Mathuradas Haridas	,, Damodar Haridas & Co.	,, ,, ,, Chikhal Galli, Bombay
16	,, Devidas Madhavji Thackersey	,, Madhavji Thackersey & Co.	72, Apollo Street, Fort, Bombay

17	Mr. Madhavji Jesang	Messrs. Ramdas Madhavji & Co.	Mulji Jetha Market, Ganeshwadi Chawk, Bombay	
18	„ Mathuradas Manji	„ Bhimji Kara & Co.	„ „ „ Narayan Chawk, Bombay	
19	„ Vithaldas Damodar Govindji	„ Damodar Govindji & Co.	„ „ „ Chawk, Bombay,	
20	„ Balvant Ramchandra	„ Bhalchandra Balvant & Co.	„ „ „ Narayan Chawk Bombay	
21	„ Morarji Hemraj Kanji	„ Hemraj Kanji & Co.	„ „ „ Nava Govind Chawk, Bombay	
22	„ Manilal Lallubhai	„ Hiralal Amratlal & Co.	„ „ „ New Gordhan Galli Bombay	
23	„ Purshottam Mulji	„ Padamsi Manji & Co.	79 Meadows St. Fort, Bombay	
24	„ Balabhai Lallubhai	„ Premchand Chhaganlal & Co.	Morarji Goculdas Market, Sami Galli, Bombay	
25	„ Goculdas Jivraj	„ Ghela Dayal & Co.	Mulji Jetha Market, Ghadial Galli Bombay	
26	„ Haridas Purshottam Govindji	„ Purshottam Govindji & Co.	„ „ „ Chawk, Bombay	
27	„ Harjivan Valji	„ Harjivan Valji & Co.	„ „ „ Champa Galli, Bombay	
28	„ Kanji Goculdas	„ Chaturbhuj Jivandas & Co.	„ „ „ Navi Gomukh Galli, Bombay	
29	„ Vallabhdas Jamnadas	„ Vallabhdas Jamnadas & Co.	„ „ „ Ghadial Galli, Bombay	
30	„ Chhabildas Laxmidas	„ Bhimji Ravji & Sons.	„ „ „ Ganesh wadi, Bombay	
31	„ Mathuradas Liladhar	„ Jeram Hari	„ „ „ Ganesh wadi, Chawk, Bombay	
32	„ Vassanji Mulji Damodar	„ Mulji Damodar & Co.	Morarji Goculdas Market, Kalbadevi Rd. Bombay.	
33	„ Harjivan Valji	„ Kanji Karsan & Co.	Mulji Jetha Market, Nava Govind Chawk, Bombay	
34	„ Vrajlal Bhagwandas	„ Bhagwandas Bhawanbhai & Co.	„ „ „ Narayan Chawk Bombay	

Serial No.	Representatives of Members.	Names of Members.	Addresses.
35	Mr. Shah Tallakchand Gobardas	Messrs. Ramji Thackersey & Co.	Mulji Jetha Market, Dadar Galli, Bombay.
36	,, Purshottam Lalji	,, Lalji Tricumji & Co.	,, ,, ,, Ghadial Galli, Bombay
37	,, Karsandas Premji	,, Karsandas Purshottam & Co.	,, ,, ,, Navi Galli, Bombay.
38	,, Kapurchand Ramchand	,, Kapurchand Ramchand & Co.	,, ,, ,, Gamthi Galli, Bombay
39	,, Lalji Naranji	,, Lalji Naranji & Co.	Tamarind Lane, Fort, Bombay
40	,, Vallabhdas Valji	,, Valji Khimji & Co.	Mulji Jetha Market, Navi Galli, Bombay
41	,, Valji Govindji	,, Morarji Kaliarji & Co.	,, ,, ,, Chawk, Bombay
42	,, Ranchhoddas Vallabhdas Kanji.	,, Vallabhdas Kanji & Co.	,, ,, ,, Ghadial Galli, Bombay
43	,, Karsandas Kurji Dharamsey	,, Kurji Dharamsey & Co.	,, ,, ,, Chikhal Galli, Bombay.
44	,, Naranji Narsey	,, Gordhandas Naranji & Co.	,, ,, ,, Ghadial Galli, Bombay
45	,, Vandravandas Valji	,, Visharam Dhanji & Co.	,, ,, ,, Krishnaraj Galli, Bombay
46	,, Kalyanji Bhimji	,, Bhimji Dwarkadas & Co.	Laxmidas Market, Bombay.
47	,, Devkaran Mulji	,, Devkaran Mulji & Co.	Mulji Jetha Market, Gomukh Galli, Bombay.
48	,, Hirji Rustomji	,, Damodar Valji & Co.	,, ,, ,, Dadar Galli, Bombay
49	,, Motilal Kanji	,, Kanji Dharamsey & Co.	,, ,, ,, Navi Krishnaraj Galli, Bombay
50	,, Dwarkadas Vassanji	,, Purshottam Laxmidas & Co.	,, ,, ,, Nava Govind Chawk, Bombay
51	,, Damodar Bhagwandas	,, Purshottam Dwarkadas & Co.	,, ,, ,, Navi Galli, Bombay
52	,, Goverdhandas Karsandas Shroff	Mr. Goverdhandas Karsandas Shroff	,, ,, ,, Chawk, Bombay
53	,, Karsandas Meghji	Messrs. Gopalji Kalyanji & Co.	,, ,, ,, Chikhal Galli, Bombay

54	Mr. Vaman Shridhar Apte	Messrs. Vaman Shridhar & Co.	MuljiJetha Market,Govind Chawk Bombay
55	Hon. Mr. Phiroz C. Sethna	Hon. Mr. Phiroz C. Sethna	Canada Building, Hornby Road, Fort Bombay.
56	MrMadhavjiDamodarThackersey	Messrs. Thackersey Moolji & Co.	2 Rampart Row Fort, Bombay
57	,, Chaturbhuj Gordhandas	,, Mulji Jetha & Co.	Tamarind Lane, Fort, Bombay
58	,, Bhagwandas Keshavji	,, Nagardas Purshottam & Co.	Mulji Jetha Market, Gopalak Galli, Bombay
59	,, Motilal Vallabhji	,, Motilal Keshavji & Co.	37-39 Ghoga St. Fort, Bombay
60	,, Gordhandas Govindji	,, Morarji Govindji & Co.	Mulji Jetha Market, Chikhal Galli, Bombay
61	,, Cursetji Jamsetji Banatvala	,, Edulji Cursetji & Co.	Laxmidas Market, Sk. Memon Street, Bombay
62	,, Mathuradas Manji Valji	,, Manji Valji & Co.	Mulji Jetha Market, Chikhal Galli, Bombay
63	,, Lalji Dayal	,, Hirji Dayal & Co.	,, ,, ,, Sancha Galli, Bombay
64	,, Haridas Gordhandas	,, Girdhardas Jethabhai & Co.	,, ,, ,, Chawk, Bombay
65	,, Keshavji Ramji Laxmidas	,, Ramji Laxmidas & Co.	,, ,, ,, Chawk, Bombay
66	,, Ratansi Dungershi	,, Vallabhdas Laxmidas & Co.	Laxmidas Market, Sk. Memon Street, Bombay
67	,, Chatrabhuj Purshottam	,, Chatrabhuj Haridas & Co.	Mulji Jetha Market, New Govind Galli, Bombay
68	,, Dwarkadas Tricumdas	,, Liladhar Dwarkadas & Co.	,, ,, ,, Chawk, Bombay
69	,, Ardeshar Jamesdji Kharas	,, Jamsedji Framji Kharas & Co.	York Building, Hornby Road, Bombay
70	,, Ramdas Zaver Jagjivan	,, Zaver Jagjivan & Co.	Mulji Jetha Market, Navi Krishnaraj Galli, Bombay
71	,, Mulji Laxmidas	,, Gopalji Valji Sunderji & Co.	,, ,, ,, Ghadial Galli, Bombay
72	,, Ramdas Ranchhoddas	,, Ranchhoddas Thackersey & Co.	,, ,, ,, Chawk, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
73	Mr. Tulsidas Gopaldas	Messrs. Gopalji Valji & Co.	Mulji Jetha Market, Navi Gomukh Galli, Bombay
74	„ Sunderji Damodar	„ Gocouldas Shivji & Co.	57, Walkeshwar Road, Bombay
75	„ Narandas Purshottamdas	„ Cavasji Framji & Co.	Mulji Jetha Market, Chawk, Bombay
76	„ Jagjivan Gordhandas	„ Gordhandas Thackersey & Co.	„ „ „ Chawk, Bombay
77	„ Gordhandas Haridas	„ Gordhandas Haridas & Co.	„ „ „ New Gopalak Galli, Bombay
78	„ Jamnadas Harakhji	„ Jamnadas Harakhji & Co.	Dady Seth Agiari-Lane Bombay
79	„ Narottamdas Dharamdas	„ Narottamdas Dharamdas & Co.	Mulji Jetha Market, New Gomukh Galli, Bombay
80	„ Jethmal Narandas	„ Narottamdas Jethmal & Co.	Mani Bhuvan, new gamdevi Bombay
81	„ Damodar Tribhovandas	„ Premchand Tribhovan & Co.	Mulji Jetha Market Chhipi Chawl, Bombay
82	„ Tricumdas Chakubhai	„ Bhawanji Velji & Co.	„ „ „ Chawk, Bombay
83	„ Mathuradas Haribhai	„ Mathuradas Chatrabhuj & Co.	„ „ „ Dharamraj Galli, Bombay
84	„ Mathuradas Dungersi	„ Mathuradas Liladhar&Co.	„ „ „ Gordhan Galli, Bombay
85	„ Mansukhlal Oghadbhai	Mr. Mansukhlal Oghadbhai	„ „ „ Gopalak Galli, Bombay

86	Mr. Karsandas Vallabhdas	Messrs. Vallabhdas Dungersi & Co.	Mulji Jetha Market, New Gomukh Galli, Bombay
87	,, Hansraj Purshottam	,, Hansraj Purshottam & Co.	,, ,, ,, Gopal Galli, Bombay
88	,, Laxmidas Keshavji	,, Haridas Keshavji & Co.	,, ,, ,, Chawk Bombay
89	,, Revashanker Jagjivan	,, Revashanker Jagjivan & Co.	Khara Kuva, Bombay
90	,, Sheriff Devji Kanji (das	,, Devji Kanji & Co.	Chakla Street, Mandvi Bombay
91	Hon. Mr. Purshottamdas Thakur-	,, Narandas Rajaram & Co.	111, Esplanade Road, Fort, Bombay
92	Mr. Haji Usuf Haji Esmail Sobani	,, Haji Mahmod Haji Ismail & Co.	Hornby Road, Fort, Bombay
93	,, Govindji Ratansi Mulji	Mr. Govindji Ratansi Mulji	Circle, Fort, Bombay
94	,, Kalyandas Bhaidas	Messrs. Bhaidas Narottamdas & Sons	C. P. Tank, Madhav Bag, Bombay
95	,, Purshottamdas Jivandas	,, Ramdas Khimji & Co.	Albert Building, Hornby Road, Fort, Bombay
96	,, Phirozshaw B. Petit	,, Phirozshaw B. Petit & Co.	Rampart Raw, Fort, Bombay
97	,, Dhanjibhai B. Petit	,, Dhanjibhai B. Petit & Co.	Circle, Fort, Bombay
98	,, Govindlal Shivlal	,, Raja Bahadur Shivlal Motilal & Co,	Hummam, Street, Fort, Bombay
99	,, S. R. Bomanji	,, S. R. Bomanji & Co.	Forbes Street, Fort, Bombay
100	,, Visanji Jivandas	,, Khimji Vishram & Co,	Dana Bunder, Broach Street, Bombay
101	,, Narsey Vallabhdas	,, Thaker Vallabhdas Kalianjivala	No. 45, Waudby Road, Fort, Bombay
102	,, Palanji Dadabhai Chowna	,, Drewet Chowna & Co.	Church Gate Street, Fort, Bombay
103	,, Tricumdas Gordhandas Khatau	,, Khatau Makanji & Co.	Oriental Building, Hornby Rd, Bombay
104	,, N. D. Dadyseth	Mr. N. D. Dadyseth	17, Waudby Road, Bombay
105	,, Cawasji Dinshaw	Messrs. Cawasji Dinshaw Bros.	Meadows Street, Fort, Bombay
106	,, Fidahusein Samsuddin	,, Shaikh Mahmod Shaikh Dawood & Co.	Crawford Market, Bhusari Street Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
107	Mr. Mathuradas Vassanji	Mr. Mathuradas Vassanji	3, Wallace, Street, Fort, Bombay
108	,, Govindram Harsomal	Messrs. Tarachand Ghansyamdas & Co.	Zaveri Bazar, Bombay
109	,, B. N. Zaveri	,, Zaveri & Co.	Apollo Street, Fort, Bombay
110	,, Karsandas Mulji Jetha	Mr. Karsandas Mulji Jetha	303, Hornby Road, Fort, Bombay
111	,, Naranji Haribhai	Messrs. The Grain Merchants' Association.	C/o Ramji Purshottam & Co. Samuel St. Vadgadi Bombay
112	,, Krishna Rao Purshottam Kothare	,, K. P. Kothare & Co.	Apollo Street, Fort, Bombay
113	,, Pestonji Edulji Dhala	,, The Indian Mercantile Ins. Co. Ltd.	11, Bank Street, Bombay
114	Hon. Mr. Lallubhai Samaldas	Hon. Mr. Lallubhai Samaldas	65, Apollo Street, Fort, Bombay
115	Mr. Mahomed Hajibhai	Messrs. Hajibhai Lalji & Co.	Akbar Building, Hornby Road, Fort, Bombay
116	Sir Fazulbhoy Currimbhoy Ibrahim	Sir Fazulbhoy Currimbhoy Ibrahim	137, Esplanade Road, Fort, Bombay
117	Mr. Vithaldas Karsandas	Messrs. The Bombay Merchants Bank Ltd.	Apollo Street, Fort, Bombay
118	,, Narandas Chatarbhuj	,, Gordhandas Khetsey & Co.	Manordas St., Holi Chakla, Fort, Bombay
119	,, Narottam Morarjee	Mr. Narottom Morarjee	Sudama House, Ballard Estate Fort, Bombay
120	,, S. B. Billimoria	Messrs. S. B. Billimoria & Co.	113, Esplanade Road, Fort, Bombay
121	,, Phiroz J. Billimoria	,, Tata Sons Ltd.	Navsari Building, Hornby Road, Fort, Bombay

122	Mr. Manekji Jethabhai Vardhman	Mr. Manekji Jethabhai Vardhman	Tamarind Lane, Fort, Bombay
123	„ Dadabhai J. Registrar	Messrs. The Berar Mfg. Co. Ltd.	Ballard Pier, Laxmi Building, Fort, Bombay
124	„ Hirjibhai Shapurji Pathak	„ H. S. Pathak & Co.	15, Parsi Bazar Street, Victoria Building, Fort, Bombay
125	„ Kikabhai Premchand	„ Premchand Raichand & Sons	Apollo Street, Fort, Bombay
126	„ Purshottam Vishram Mavji	Mr. Purshottam Vishram Mavji	Walkeshwar Road, Bombay
127	„ Nandlalji of Messrs Bhagwandas Netram	Messrs. The Hindustani Native Merchants' Association	Kalbadevi Road, Bombay
128	„ Ratanchand Navalchand Zaveri	„ Manekchand Panachand & Co.	Zaveri Bazar, Sheikh Memon Street, Bombay
129	„ M. Venkatrao	„ N. Powel & Co.	Sandhurst Road, Girgaum, Bombay.
130	„ Currimbhoy Adamji Peerbhoy	Mr. Currimbhoy Adamji Peerbhoy	Tardeo, Bombay
131	„ Kedarmal Bhuramal	Messrs. Gulabrai Kedarmal & Co.	Kalbadevi Road, Bombay
132	„ Nehalchand Lalluchand	Mr. Nehalchand Lalluchand	Pydhonie, Bombay
133	„ Gulabchand Devchand Javeri	„ Gulabchand Devchand Javeri	2, Rampart Row, Fort, Bombay
134	„ Gordhandas Ranchhoddas	„ Gordhandas Ranchhoddas	Zaveri Bazar, Bombay
135	„ Bhogilal Virchand Dipchand	„ Bhogilal Virchand Dipchand	Peddar Road, Malbar Hill, Bombay
136	„ Dunichand Durgadas	„ Dunichand Durgadas	Kharakuva, Sheik Memon Street, Bombay
137	„ Vallabhdas Dayal	„ Vallabhdas Dayal	Vadgadi, Mandvi, Bombay
138	„ K. S. Aiyar	Messrs. K. S. Aiyar & Co.	65, Apollo Street, Fort, Bombay
139	„ Mathuradas Goculdas Thacker	Mr. Mathuradas Goculdas Thacker	Vincent Road, Matunga, G. I. P. Ry.
140	„ Hirachand Vanechand Desai	Messrs. Hirachand Vanechand Desai & Co.	Kalbadevi Road, Bombay
141	Prof. S. R. Davar	„ The Davar's College of Commerce	Great Western Hotel Building, Fort, Bombay
142	Mr. Nassurwanji K. A. Chinoy	Mr. Nassurwanji K. A. Chinoy	Chinoy Mansions, Colaba, Bombay
143	„ Shivji Chapsey	Messrs. Vassanji Velji & Co.	Girgaum Back Road, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
144	Mr. Phirozshaw N. Mehta	Messrs. P. N. Mehta & Co.	50, Church Gate Street, Fort, Bombay.
145	,, Chhotalal Kilachand	,, Kilachand Devchand & Co.	63, Apollo Street, Fort, Bombay
146	,, C. I. Parekh	,, The Bank of Morvi, Ld.	Apollo Street, Fort, Bombay.
147	,, Sorabji N. Pochkhanavala	,, The Central Bank of India Ltd.	Hornby Road, Fort, Bombay
148	,, Karmali Abdulla Allarakhia	,, Abdulla Allarakhia & Co.	187, Khoja Mohalla, Mandvi, Bombay.
149	,, Balubhai Mulchand Zaveri	Mr. Balubhai Mulchand Zaveri	Zaveri Bhuvan, Dhanji Street, Bombay
150	,, Beniprasad Dalmia	Messrs Mamraj Rambhagat & Co.	Mumbadevi Naka, Bombay.
151	,, Haridas Nagji Vora	Mr. Haridas Nagji Vora	Mulji Jetha Market, Gordhan Galli, Bombay
152	,, Thakkar Amarsi Kanji	,, Thakkar Amarsi Kanji	,, ,, ,, Sancha Galli, Bombay
153	,, Goculdas Damodar	,, Goculdas Damodar	,, ,, ,, Nava Govind Chawk, Bombay
154	,, Manilal Goculbhai Mulchand	,, Manilal Goculbhai Mulchand	,, ,, ,, Champa Galli,
155	,, Harilal D. Jasani	Messrs. The Bombay Shroff Association.	Sheikh Memon Street, Bombay.
156	,, Hansraj Pragji Thackersey	Mr. Hansraj Pragji Thackersey	2, Rampart Row, Fort, Bombay
157	,, Jamnadas Mulchand Parekh	Messrs. Goculbhai Dolatram & Co.	Mulji Jetha Market, Champa Galli, Bombay
158	,, Lavji Meghji	,, Karamsey Damji & Sons	Girgaum Back Road, Bombay
159	,, Pestonji N. Masani	Mr. Pestonji N. Masani	Nawab Building, Hornby Road, Bombay.
160	,, Ibrahim F. Lalji	Messrs. Jumabhai Lalji & Co.	Warden Road, Bombay
161	,, Laxmidas Nemidas	,, Mulchand Vasanji & Co.	90, Bazar Gate Street, Fort, Bombay
162	,, Dwarkadas Tribhovandas	Mr. Dwarkadas Tribhovandas	Singhani Building, Sheikh Memon Street, Bombay
163	,, Dwarkadas Gordhandas	Mr. Dwarkadas Gordhandas	289, Hornby Road, Fort, Bombay.

164	Mr. Pestonjee Dhanjibhai Patel	Messrs. Patel Bros.	Murzban Road, Fort, Bombay,
165	,, Kekhushru N. Chandabhoy	,, Chandabhoy and Jassubhoy	Apollo Street, Fort, Bombay
166	Hon. Mr. Chunilal V. Mehta	Hon. Mr Chunilal V. Mehta	111, Esplanade Road, Fort, Bombay
167	Mr. Ratansey Dharamsey Morarji	Mr. Ratansey Dharamsey Morarji	SudamaHouse, Ballard Estate, Fort, Bombay.
168	,, Hirji Khetsey	Messrs. Hirji Khetsey & Co.	Bhat Bazar, Mandvi, Bombay
169	,, Currimbhai Lalji Sajan	,, C. L. Sajan & Co.	Carnac Siding, Frere Road, Bombay
170	,, Hirji Ghelabhai	,, Ghelabhai Gansey & Co.	Carnac Siding, Frere Road, Bombay
171	,, Devidas Narandas	,, The India Agency Co., Ltd.	Apollo Street, Fort, Bombay
172	,, Naranji Haribhai	,, Ramji Purshottam & Co.	Samuel Street, Vadgadi, Bombay
173	,, Khimji Hirji Kayani	,, Khimji Hirji Kayani & Co.	Circle, Fort, Bombay
174	,, Jehangir Bomanji Petit	Mr. Jehangir Bomanji Petit	Contractor Building, Ballard Pier, Fort, Bombay
175	,, CassamalliJerajbhaiPeerbhai	,, Cassamalli Jerajbhai Peerbhai	Peddar Road, Bombay
176	,, M. P. Madan	Messrs. The Bombay Printing Works. Ltd.	Girgaum Train Tarminus, Bombay
177	,, Laxmidas Haridas	,, Assur Veerji & Sons	32, Mint Road, Fort, Bombay
178	,, Meghji Vassanji Tricumji	Mr. Meghji Vassanji Tricumji	Hornby Rd, Nanabhoy Galli, Bombay.
179	,, Vithaldas Liladhar Bhimji	,, Vithaldas Liladhar Bhimji	Princess Street, Bombay
180	,, M. V. Subiah	Messrs. The Commission and General Agency.	Avenue Road, Bangalore City
181	,, Vithaldas Bhawanidas	Mr. Vithaldas Bhawanidas	Tamba Kanta, Pydhonie, Bombay
182	,, Dwarkadas Kalyandas	,, Dwarkadas Kalyandas	Ridge Road, Malbar Hill, Bombay
183	,, Laxmidas Ravji Tairsee	Messrs. Laxmidas & Co.	Apollo Street, Fort, Bombay
184	,, Surajmal Lallubhai	,, Surajmal Lallubhai & Co.	Kalbadevi Road, Bombay
185	,, C. B. Lal	,, J. N. Singh & Co.	26, Princess Street, Bombay
186	,, Mathuradas Goculdas	Mr. Mathuradas Goculdas	Canada Building, Hornby Rd., Fort, Bombay
187	,, Naranji Dayal	Messrs. The Bombay Country Fancy Piece Goods Merchants' Association	Morarji Goculdas Market, Kalbadevi Road, Bombay

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188	Mr. Burjor Framroz R. Joshi	Messrs. Rustomji Edulji Dadachanji & Co.	55, Frere Road, Fort, Bombay
189	„ M. V. Merchant	The Branch Manager, The Great Eastern Life Assurance Co. Ltd.	12-14, Church Gate Street, Fort, Bombay
190	„ N. S. Bayankar	The Oriental Engineering Trading Co.	Mint Road, Bombay
191	„ Nagindas A. Adatia	Messrs. Nagindas and Maneklal	Homji Street, Fort, Bombay
192	„ Mavji Govindji	„ Mavji Govindji & Co.	72, Apollo Street, Fort, Bombay
193	„ Maganlal Parbhudas	„ The Bombay Yarn, Copper, and Brass Native Merchants' Association	Tambakanta, Pydhonie, Bombay
194	„ Girjashanker B. Trivedi	„ Trivedi & Co.	Hornby Road, Fort, Bombay
195	„ L. Desraj Mehra	„ The Punjab National Bank, Ltd.	Akbar Building, Hornby Road, Fort, Bombay
196	„ Bhimji J, Thacker	„ Bhimji Jairaj & Co.	305, 307 Chaupati Sea Face, Bombay
197	„ Ramchandra M. Bhatt	Mr. Ramchandra M. Bhatt	Sandhurst Road, Girgaum, Bombay
198	„ Laxmidas Devji	Messrs. Jetha Devji & Co.	Sak Galli, Mandvi, Bombay
199	„ Dhanraj M. Parekh	„ Jassooji & Sons	197-99, Hornby Road, Fort, Bombay
200	„ Jamnadas Dwarkadas Dharamsey	Mr. Jamnadas Dwarkadas Dharamsey	Chartered Bank Building, Fort, Bombay
201	„ Jivandas Pitambar	„ Jivandas Pitambar	Circle, Fort, Bombay
202	„ Jagjivandas Narayan Mehta	„ Jagjivandas Narayan Metha	93, 107, Musjid Bunder Road, Bombay
203	„ Bhailal Dajibhai Amin	Messrs. The Alembic Chemical Works Co., Ltd.	Baroda
204	„ B. A. Billimoria	Messrs. Batliwala and Karani	Dalal Street, Fort, Bombay

205	Mr. Mohmad Hussein *Dehdasti*	Mr. Mohmad Hussein Dehdasti	Ash Lane, Fort, Bombay.
206	„ Manu Subedar	Messrs. Manu Subedar & Co. (Agents, the Pioneer Rubber & Industrial Co., Ltd.)	Sudama House, Ballard Estate, Bombay
207	„ Maneklal Manilal Ranchoddas Pari	Mr. Maneklal Manilal Ranchhoddas Pari	Manek Chawk, Ahmedabad
208	„ Chandulal R. Yagnik	Messrs. Dolatram Kashiram & Co.	Lamington Road, Bombay
209	„ Ismail A. H. Moosa	„ Ismail A. H. Moosa, Ltd.	188, Nagdevi Street, Bombay
210	„ Jamnadas Vassanji Manji	Mr. Jamnadas Vassanji Manji	Mooljee Jaitha Market, Sir Vithaldas Galli, Bombay
211	„ Padamsey Narsibhai	„ Padamsey Narsibhai	11, Bank Street, Fort, Bombay
212	„ K. B. Mohamadali Abdul-Kadar	Messrs. Taher & Co.	95-97, Nagdevi Street, Bombay
213	„ Phiroz J. Billimoria	„ The Indian Cement Co.	Navsari Building, Hornby Road, Fort, Bombay
214	„ M. A. J. Noble	Mr. M.A. J. Noble	26, Parsi Bazar Street, Fort, Bombay
215	„ Padamsey Narsibhai	Messrs. The Indian Peninsular Steam Navigation Co. Ltd.	11, Bank Street, Fort, Bombay
216	„ Jayvant Shantaram Divedkar	„ Narayan Dhondiba & Co.	Lloyd Building, Ballard Pier, Fort, Bombay
217	„ Surji Vallabhdas	„ Surji Vallabhdas & Co.	Church Gate Street, Bombay
218	„ Laxmichand M. Doshi	„ Laxmichand Padamsey & Co	Kalbadevi Road, Bombay
219	„ Rameshvardas Birla	„ Shivnarayan Baldevdas &Co.	Mumbadevi, Patel Building, Bombay
220	„ Ibrahim Gulamalli	Messrs. Gulamalli Gulamhussein & Co.	21, Bank Street, Fort, Bombay
221	„ Sarabhai Vadilal Zaveri	„ Chamanlal Sarabhai Zaveri	311, Shroff Bazar, Bombay
222	„ Karsandas Thackersey Ravji	Mr. Karsandas Thackersey Ravji	187, Hornby Road, Fort, Bombay
223	„ Jwaladat R, Pilani	„ Jwaladat R. Pilani	Shaikh Memon Street, Bombay
224	„ A. S. Doraiswamy	Messrs. S. A. V. Arungeri Chetty & Co.	Davangeri (S. India) M. S. M. Rv.

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225	„ Narsidas Jokisandas Gangadas	Mr. Narsidas Jokisandas Gangadas	Napean Sea Road, Bombay
226	„ Karmalli Sabjalli	Messrs. Kassam Karmalli & Co.	204, Khoja Mohalla, Mandvi, Bombay
227	„ B. B. Morris	„ Bradford & Co.	No. 4, Cavasji Patel Street, opposite Hong Kong Bank, Bombay
228	„ Mayashanker M. Bhatt	„ Mayashanker Thakkar & Co.	47, Apollo Street, Fort, Bombay
229	„ Vallabhdas Dayal	„ Dungershi Shamji Joshi & Co.	45, 47, Vadgadi, Bombay
230	„ Harnandrai Ramnarayan	Mr. Harnandrai Ramnarayan	183, Kalbadevi Road, Bombay
231	„ Hormasji Bapuji Gazdar	„ Hormasji Bapuji Gazdar	35, Mandlik Road, Apollo Bunder, Bombay
232	„ Mohanlal Hemchand Zaveri	„ Mohanlal Hemchand Zaveri	Zaveri Bazar, Patel Building, Bombay
233	„ T. M. Rangachari	„ T. M. Rangachari	Turner Road, Bandra
234	„ Walchand Hirachand	„ Walchand Hirachand	Sudama House, Ballard Estate, Bomba
235	„ K. D. Zaveri	Messrs. Walmer & Co.	11, Hamam, Street, Fort, Bombay
236	„ Motichand G. Shah	„ Pathak Walchand, Ltd.	Love Lane, Mazgaon, Bombay
237	„ Ambalal Sarabhai	Mr. Ambalal Sarabhai	Retreat, Shahibag, Ahmedabad
238	„ Mansukhlal Atmaram Master	„ Mansukhlal Atmaram Master	Sudama House, Ballard Estate, Bombay
239	„ Ranchhoddas Bhawan	Messrs. Bhawan Jivraj & Co.	Duncan Road, Flour Mill, Bombay
240	„ Damodar Govindji Madhavji	„ Govindji Madhavji & Co.	2, Rampart Row, Fort, Bombay
241	„ J. H. Mazumdar	„ H. Anik & Co.	Baria Building, Pydhonie, Bombay
242	„ Hiralal M. Shah	Mr. Hiralal M. Shah	Paris. (France)
243	„ Nanabhai Tullockchand	„ Nanabhai Tullockchand	Nehalchand Building, New Queens Road, Bombay
244	„ Bhagwandas Gordhandas	„ Bhagwandas Gordhandas	3, Wallace Street, Fort, Bombay
245	„ Mathuradas Kanji Matani	Messrs. The Bombay Rice Merchants' Association	83, Mint Road, Bombay

246	Mr. Madhavlal Makanji	Messrs. Keshavlal Brothers	Princess Street, Bombay
247	„ Chamanlal Popatlal Mehta	„ C. K. Vohra & Co.	339, Abdul Rehman Street, Bombay
248	„ Haridas Madhavdas	„ Haridas Madhavdas Amersey & Amersey Damodar & Co,	173, Bhuleshwar Road, Bombay
249	„ Kekhushru Manekji Cooper	Mr. Kekhushru Manekji Cooper	Gazdar House, Hughes Road, Bombay
250	„ Fazul Ibrahim Rahimtulla	Messrs. Fazulbhoy Ibrahim & Co.	Medows Street, Bombay
251	„ Mangaldas Prahladbhai	„ Prahladbhai Dolatram & Co.	Tamba Kanta, Bombay
252	„ M. B. Mehta	„ M. B. Mehta & Co.	32, Apollo Street, Post Box 252, Bombay
253	„ D. G. Banker	Mr. D. G. Banker	Belle View, Chaupati, Bombay
254	„ Manilal Jugaldas	„ Manilal Jugaldas	18, Green Street, Fort, Bombay
255	„ Vithal Ambaram Jani	Messrs. Vithal Ambaram Jani & Co.	Tank Bunder, Mazgaon, Bombay
256	„ Hargovind Ambaram Jani	„ Hargovind Shivlal & Co.	Do. do.
257	„ A. G. Somia	„ M. Somia & Co.	48-50, Samuel Street, Vadgadi, Bombay
258	„ Narandas Kesoordas	„ Lalji Godhoo & Co.	Do. do.
259	„ Manilal Balabhai	„ Manilal Balabhai & Co.	72, Apollo Street, Fort, Bombay
260	„ B. F. Madan	Mr. B. F. Madan	Navsari Building, Hornby Road, Bombay
261	„ B. C. Sethna	Messrs. Cursetji Bomanji & Co.	9, Bank Street, Fort, Bombay
262	„ Mathurdas Tricumdas	„ Mathuradas V. Kothare & Co.	71, Apollo Street, Fort, Bombay
263	„ Sultan I. Jaumohmad	Mr. Sultan I. Janmohmad	C/o Currimbhai Ibrahim & Sons. 137, Esplanade Road, Fort, Bombay
264	„ Santidas Ashkaran	„ Santidas Ashkaran	Hughes Road, Bombay
265	„ Padamsey Mulji	Messrs. Jetha Mulji & Co.	45, Old Hanuman Lane, Bombay
266	„ Kanaiyalal Ranchhodbhai	„ Dalsukhbhai Kanaiyalal & Co.	Apollo Street, Fort, Bombay
267	„ Vyas Laxmishankar Narbadashanker	Mr. Vyas Laxmishanker Narbadashanker	Detroj
268	„ Ramkrishna Narayan Bijur	„ Ramkrishna Narayan Bijur	9, Bank Street, Fort, Bombay
269	„ Ishwardas Laxmidas	„ Ishwardas Laxmidas	Garden View, Hughes Road, Bombay
270	„ N. M. Muzumdar	„ N. M. Muzumdar	Navsari Building, Hornby Road, Bombay
271	„ Hatim E. Attari	Messrs. Hatim Attari & Co.	24-26, Nagdevi Street, Bombay

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272	Mr. Narsidas B. Kamdar	Messrs. H. J. Billimoria & Co.	Nanabhai Lane, Hornby Road, Fort, Bombay
273	„ D. M. Wadia	„ D. M. Wadia & Co.	Marzban Road, Bombay
274	„ Gopaldas Tricumji Jivandas	Mr. Gopaldas Tricumji Jivandas	66, Bazar Gate Street, Fort, Bombay
275	„ Ishwarlal Ganpatram Gajjar	„ Ishwarlal Ganpatram Gajjar	Parekh Building, New Queens Road, Bombay
276	„ Vassanji Naranji Bhimji	„ Vassanji Naranji Bhimji	Vadgadi, Mandvi, Bombay
277	„ Keshavji Nanji	Messrs. Badrinarayan Gangadhar & Co.	Laxmidas Khimji Market, Bombay
278	„ Rahimtulla M. Chinoy	„ F. M. Chinoy & Co.	319, Duncan Road, Bombay
279	„ Burjorji Cavasji Patel	„ Palanji Edulji & Sons	Khetwadi Back Road, Girgaom, Bombay
280	„ Morarji Mulraj Khatau	Mr. Morarji Mulraj Khatau	Ballard Pier, Bombay
281	„ Mulji Ranchhod Ved	„ Mulji Ranchhod Ved	Green Bungalow, Andheri
282	„ Velji Lakhamshi	Messrs. Napoo Nensey & Co.	38-42, Argyle Road, Dana Bunder, Bombay
283	„ Alimohmad R. Macklai	Mr. Alimohmad R. Macklai	Churchgate Street, Bombay
284	„ Jamnadas Ramdas	Messrs. Jamnadas Ramdas & Co.	31, Hamam Street, Fort, Bombay
285	„ W. Mackenzie	„ The Tata Industrial Bank, Ltd.	Wallace Street, Fort, Bombay
286	„ Anantrao Balkrishna Kamat	„ B. Sitaram & Sons. Sitaram Laxman & Sons	Humam Street, Fort, Bombay
287	Hon. Mr. Balkrishna Sitaram Kamat	Messrs. B. Sitaram & Sons. Sitaram Laxman & Sons	Ganesh Khind, Poona
288	Mr. Hakemchand Valamji Kapadia	Mr. Hakemchand Valamji Kapadia	Mulji Jetha Market, Chawk, Bombay
289	„ J. H. Bhabha	Messrs. The Tata Hydro Electric Power Supply Co.	Navsari Building, Hornby Road. Fort, Bombay

290	Mr. Maganlal Kalyanji	Mr. Maganlal Kalyanji	Shree Krishna Building Hornby Road Bombay
291	„ Dwarkadas Jekisandas	„ Dwarkadas Jakisandas	58, Walkeshwar Road, Bombay
292	„ Sitaram Keshavdayal Potdar	Messrs. Cheniram Jesraj & Co.	34, do do.
293	„ Karmalli Ibrahim	„ Kasinath D. Khote & Co.	Khoja Mohalla, Mandvi, Bombay
294	„ Tulsidas Monji Vora	„ Hansraj & Co.	20, Elphinstone Circle, Fort, Bombay
295	„ Vallabhdas Ranchhoddas	Mr. Vallabhdas Ranchhoddas	70, Apollo Street, Fort, Bombay
296	„ Kapilram H. Vakil	„ Kapilram H. Vakil	C/o Tata Sons Ltd. Navsari Building, Bombay
297	„ Gangaram Tricumdas	Messrs. Chaturbhuj Gangaram &Co.	Masjid Bunder Road, Bombay
298	„ C. J. Vurdhman	„ Vurdhman Brothers	Tamarind Lane, Bombay
299	„ Jagjivandas Narayan Mehta	„ The Mauritius Shippers Association	93-107, Masjid Bunder Road, Bombay
300	„ Narandas V. Dossa	Mr. Narandas V. Dossa	14, Humam Street, Fort, Bombay
301	„ Somnath Rupjidas Patel	„ Somnath Rupjidas Patel	77-79, 3rd Bhoivada, Bombay
302	„ Gordhandas Keshavlal Shah	Messrs. The Advance Trading Co.	Tamba Kanta, Bombay
303	„ Dawood Haji Nassur	„ Nassur Haji Mavji & Co.	Khoja Mohalla, Bombay
304	„ Narandas Assanmal	Mr. Narandas Assanmal	132, Bhuleshwar Road, Bombay
305	„ Amrutlal Amerchand Madhavji	Messrs Amerchand Madhavji & Co.	Mudi Bazar, Mandvi, Bombay
306	„ Framji Dorabji Panday	„ Dadabhoy Pestonji & Co.	371, Hornby Road, Bombay
307	„ Shiraj A. Vasi	„ Shiraj A. Vasi & Co.	47, Apollo Street, Fort, Bombay
308	„ Ahmadi Shiraj	„ Shaikh Adam Husseinalli Vasi & Co.	Vasi Building. 155-56, Nagdevi Street, Bombay
309	„ Laxmidas G. Tejpal	Mr. Laxmidas G. Tejpal	183, Hornby Road, Bombay
310	„ Morarji Premji Goculdas	Messrs. M. P. Goculdas & Co.	Medows Street, Fort, Bombay
311	„ Abdul Rasul A. Vishram	„ Alladina Vishram & Co.	Mombasa (East Africa)
312	„ Behram N. Karanjiya	Mr. Behram N. Karanjiya	359-61, Abdul Rehman Street, Bombay.
313	„ M. N. Gobhai	„ M. N. Gobhai	Do. do.
314	„ Madhavdas Goculdas Pasta	„ Madhavdas Goculdas Pasta	11, Bastion Road, Bombay

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315	Mr. H. Suleman Abdul Wahed	Mr. H. Suleman Abdul Wahed	C/o Messrs. Ladha Ebrahim & Co., Bellasis Road, Byculla, Bombay
316	,, Jamnadas Morarji	,, Jamnadas Morarji	35, Mint Road, Fort, Bombay
317	,, Sarabhai Prataprai	,, Sarabhai Prataprai	Madhuli, Grant Road, Bombay
318	Sir Dinshaw Manekji Petit	Sir Dinshaw Manekji Petit	Contractor Building Fort, Bombay
319	Mr. Panachand Manchand	Mr. Panachand Manchand	259-61, Shaik Memon Street, Bombay
320	,, Rameshwardas Birla	Messrs. The Bombay Stock Exchange Ltd.	Ballard Pier 9-11 Medow St. Bombay.
321	,, Maneklal Jethabhai	Mr. Maneklal Jethabhai	Babulnath Road, Bombay
322	,, Mansukhlal Chhaganlal	,, Mansukhlal Chhaganlal	Shree Ram Mansion, Sandhurst Road, Bombay
323	,, Karamchand Chunilal	,, Karamchand Chunilal	Do. do,
324	,, Balkisandas Ramkisandas	,, Balkisandas Ramkisandas	No. 36, Vithalvadi, Kalbadevi Road, Bombay
325	,, K. R. P. Shroff	,, K. R. P. Shroff	80, Esplanade Road, Fort, Bombay
326	,, Pesi R. P. Shroff	,, Pesi R. P. Shroff	Do. do.
327	,, Narandas Manordas	,, Narandas Manordas	Shaik Memon Street, Bombay
328	,, P. J. Panday	Messrs. C. Framji & Co.	14, Humam Street, Fort, Bombay
329	,, Y. G. Pandit	Mr. Y. G. Pandit	Hornby Road, Whiteaway Laidlaw Building, Bombay
330	,, R. J. Duff	Messrs. The New India Assurance Co., Ltd.	5, Wallace Street, Bombay
331	,, Manchershaw Sorabji Bhumgara	,, The United Press of India Ltd.	8-10, Homji Street, Fort, Bombay
332	,, Kanji Karsandas	Mr. Kanji Karsandas	Parsi Bazar Street, Fort, Bombay

333	Mr. Dulerai Vanechand Desai	Messrs. Dulerai & Co.	70, Apollo Street, Fort, Bombay.
334	„ Pranjivan Vassanji Manji	Mr. Pranjivan Vassanji Manji	Wacha Gandhi Road, New Gamdevi, Bombay.
335	„ Jairaj Vassanji Manji	„ Jairaj Vassanji Manji	Vishnu Bhuvan, Ridge Road, Bombay
336	„ M. K. Chaubal	Messrs. The Bombay Swadeshi Co-operative Stores Co.	Times Building, Hornby Road, Bombay
337	„ K. B. N. Kapadia	„ The Indian Steel Wire Products, Ltd.	65, Apollo Street, Fort, Bombay.
338	„ Vithaldas Harjivandas	„ Harjivandas Jagjivandas & Co.	36, Jambulvadi, Kalbadevi Road, Bombay
339	„ Kisandas Manmohandas Ramji	„ The New Kaiser-i-Hind Sp. & Wg. Co., Ltd.,	20, Bank St. Fort, Bombay.
340	„ Vithaldas Bhagvandas	„ Vithaldas Bhagwandas & Co.	Mulji Jetha Market, Chikhal Galli, Bombay.
341	„ Maganbhai P. Amin	„ Maganbhai Amin & Co.	32, Apollo Street, Fort, Bombay.
342	„ Maganlal Purshottamdas	„ Purshottam Pranvallabh & Co.	Union Bank Building, Apollo St. Bombay
343	„ Bhagvandas Madhavdas	„ Madhavdas Rughnathdas & Sons	270-76, Jackeria Musjid, Mandvi, Bombay
344	„ Mohanlal Harakhchand	„ Mohanlal & Co.	197-200, Shaik Memon Street, Bombay.
345	„ Gokuldas Ranchhoddas	„ Ranchhoddas Varjivandas & Co.	Kandevadi, Madhav Bhuvan, Bombay.
346	„ Chhotalal M. Kothari	„ Chhotalal Kothari & Co.	Apollo Street, Bombay.
347	„ Rughnathdas Lalji	„ Abubakar Abdui Rehman & Co.	9, Cathedral Street, Bhuleshwar, Bombay.
348	„ Karsandas Hargovan	„ R. Karsandas & Co.	Mulji Jetha Market, Chawk, Bombay.
349	„ Jamnadas Purshottam	„ Jethabhai Hirji & Co.	Do. do.
350	„ Vassanji Meghji	„ B. Hargovan & Co.	Do. do.
351	„ Govindji Dahyabhai Desai	Mr. Govindji Dahyabhai Desai	Mangaldas Building, Princess Street, Bombay.

Serial No.	Representatives of Members.	Names of Members.	Addresses.
352	Mr. D. D. Sethia	Messrs. Shivji Dharamsey Sethia & Co.	70, Apollo Street, Fort, Bombay.
353	„ M. C. Amin	„ The Malbar Forests & Rubber Co., Ltd.	16, Oak Lane, Fort, Bombay.
354	„ Tarachand H. Khana	Mr. Tarachand H. Khana	74, Homji Street, Bombay.
355	„ Venilal Jekisandas Vakil	„ Venilal Jekisandas Vakil	Machli Peth, Surat.
356	„ Tulsidas Ramdas	„ Tulsidas Ramdas	451, C, Walkeshwar Road, Bombay.
357	„ Jamnadas Narandas Chahevala	„ Jamnadas Narandas Chahevala	Alahibag Building, Abdul Rehman Street, Bombay.
358	„ Pragli Dayal Hariani	„ Pragji Dayal Hariani	24-32, D'Souza Street, Mandvi, Bombay.
359	„ Morarji Narottam	„ Morarji Narottam	78, Walkeshwar, Bombay.
360	„ Sheralli Tarmohmad	Messrs. Dawoodalli & Co.	123, Nagdevi Street, Bombay.
361	„ Jivanlal Chimanlal Setalvad	„ J. C. Setalvad & Co.	113, Esplanade Road, Fort, Bombay.
362	„ Narayandas Bhawanji	„ Narayandas Bhawanji & Co.	D'Souza Street, Vadgadi, Bombay.
363	„ Naranji Premji	„ Purshottam Naranji & Co.	Khojavala Building, Bhandari Street, Bombay.
364	„ Purshottam Hirjee	„ Hirji Govindji & Co.	82, Baroda Street, Dana Bunder, Bombay.
365	„ Chimanlal Mohanlal	„ Chimanlal Mohanlal & Co.	Zaveri Bazar, Patel Building, Bombay.
366	„ Ranchhoddas Govindji Asher	Mr. Ranchhoddas Govindji Asher	Morarji Goculdas Market, Sami Galli, Bombay.
367	„ Yeshvant Vinayak Dhurandhar	Messrs. Dhurandhar Brothers	Parsi Bazar St. Fort, Bombay.
368	„ Balabhai Jamnadas	„ The Gujarat Oil Mill Mg. Co., Ltd.	Asharva, Post Kalupur, Ahmedabad.

369	Mr. V. A. Desai	Messrs. The All-India United Assurance Co., Ltd.	72, Apollo Street, Fort, Bombay.
370	„ R. C. Gazdar	„ Bomanji C. Gazdar & Co.	„ „ „ „
371	„ Khimji Asher Virji	„ Khimji Asher Virji	320, Mint Road, Fort, Bombay.
372	„ Dhanji Devsey	„ Dhanji Devsey & Co.	223, 27 Dongri Street, Bombay.
373	„ B. S. Dubas	„ B. Dubas & Co.	32, Apollo Street, Fort, Bombay.
374	„ Maneklal Ujamshi	Mr. Maneklal Ujamshi	72, Apollo Street, Fort, Bombay.
375	„ Ranchhoddas Harjivandas Gandhi	„ Ranchhoddas Harjivandas Gandhi	Vishram Building, Sandhurst Road, Bombay.
376	„ Thackersey Mahashankar	Messrs. Thackersey Mahashankar & Co.	Kumbharvada 2nd Lane, Sandhurst Road, Bombay.
377	„ Dharamsey Bhawanji	„ Bhawanji Harbham & Co.	2nd Panjara Pole Lane, Bombay.
378	„ Sorab Framji Bharoocha	„ Sorab Framji Bharoocha	7-10, Elphinstone Circle, Fort, Bombay.
379	„ Maganlal Dahyabhai	„ Dahyabhai Vassanji & Sons	Vithaldas Road, Princess Street, Bombay.
380	„ S. K. Daftari	„ Husseinbhoy & Co.	25, Medows Street, Fort, Bombay.
381	„ Keshavlal Harilal Setalvad	„ M. Kanji & Co.	Cavasji Patel Street, Fort, Bombay.
382	„ Sangidas Jesiram Rai Saheb	„ Sangidas Jesiram Rai Saheb	39-41, Apollo Street, Fort, Bombay
383	„ Dayaldas Narandas Kanji	„ Narandas Kanji & Co.	Mulji Jetha Market, Nava govind Chawk Bombay
384	„ Kanji Dwarkadas	Mr. Kanji Dwarkadas	Chartered Bank Building, Esplanade Road, Fort, Bombay
385	„ Karsandas Tejpal	„ Karsandas Tejpal & Co.	Samual Street, Mandvi, Bombay
386	„ Tricumdas Dwarkadas	„ Tricumdas Karsandas & Co	Chartered Bank Building, Esplanade Road, Bombay
387	„ Ramanbhai Lalbhai Sheth	„ Bechardas Manchand	Khara Kuva, Sk. Memon Street, Bombay
388	„ Kasturbhai M. Nagarsheth	„ M. Nagersheth & Sons	Esplanade Road, Fort, Bombay
389	„ Shamji Hemraj	„ Shamji Hemraj & Co.	Canada Building, Hornby Road Bombay
390	„ Shantikumar Narottam Morarjee	„ The Solapur Sp. & Wg. Co., Ltd.	Sudama House, Ballard Estate, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
391	Mr. Laxmidas G. Dossa	Mr. Goculdas Dossa & Co.	14, Humam Street, Fort, Bombay
392	„ Morarji Keshavji	Messrs. Morarji & Hormasji	Mulji Jetha Market, 22, Champa Galli, Bombay
393	„ Bomanji Dorabji Kapadia	Mr. Bomanji Dorabji Kapadia.	Engineer Building, Princess Street, Bombay
394	„ Hiralal Gordhandas	Messrs. The Bombay Automobiles	Hughes Road, Bombay
395	„ Motiram Waghji	„ Pragji Liladhar & Co.	Mulji Jetha Market, Dharamraj Galli, Bombay.
396	„ Purshottam Dayal Thakkar	„ Thakkar & Co.	Jharia
397	„ Nanu N. Bharucha	Messrs. Nanu N. Bharucha & Co.	Frere Road, Bombay
398	„ Ruttonchund Tullockchund Master	„ Master Sons & Co.	33, Medows Street, Bombay
399	„ GustadjiDossabhoyBillimoria	Mr. Gustadji Dossabhoy Billimoria	Chinoy Mansion, Colaba, Bombay
400	„ Raghavji Purshottam	„ Raghavji Purshottam	C/o Currimbhai Ibrahim & Sons, Vithalwadi, Bombay
401	„ L. G. Mahajani	„ L. G. Mahajani	50, Churchgate Street, Bombay
402	„ Meherjibhai Bomanji Cooper	Messrs. Cooper & Cooper	Frere Road, Bombay
403	„ Thakorlal Hiralal Vakil	„ Vakil Brothers	73, Apollo Street, Bombay
404	„ Dwarkadas Chandiram	„ Tarachand Tiloomal Makhija	Barbhai Mohalla, Bombay
405	„ Chunilal Baldevdas	Mr. Chunilal Baldevdas	C/o Jamnadas Chunilal, Tamba Kanta, No. 516, Bombay
406	„ P. J. Kanga	Messrs. Tata Construction Co., Ltd.	Sudama House, Ballard Estate, Bombay
407	„ Korsi Monsi	„ Kurpal Dungershi & Co.	Bhat Bazar, Mandvi, Bombay
408	„ Keshavji Damji Hirji	Mr. Keshavji Damji Hirji	Samuel Street, Mandvi, Bombay

409	Mr. Veerji Peraj	Messrs. Chaturbhuj Peraj & Co.	Maskai Building, Bhandari Street, Bombay
410	„ H. H. Belgaumwalla	Mr. H. H. Belgaumwalla	Santacruz
411	„ Nowroji H. Belgaumwalla	„ Nowroji H. Belgaumwalla	C/o The Bombay Samachar Office, Frere Road, Bombay
412	„ L. B. Phatak	„ L. B. Phatak	19, Keshav Ashram, Sandhurst Road, Bombay
413	„ Kaikhasroo R. P. Shroff	Messrs. The Native Share & Stock Brokers' Association	Dalal Street, Fort, Bombay
414	„ S. C. Bannerji	„ Marsland Price & Co., Ltd.	Nesbit Road, Mazgaon, Bombay
415	„ Khushal T. Shah	Mr. Khushal T. Shah	Esplanade Road, Bombay
416	„ Bhikhabhoy Ramchand	Messrs. Chhotalal Bhikhabhoy & Co,	13, Tamarind Lane, Fort, Bombay
417	„ Narotam V. Purshottam	„ Vithal Purshotam & Son	2nd Khetwadi Lane, Sandhurst Road, Bombay
418	„ Nensey Tejpal	Mr. Nensey Tejpal	Nana Colaba, Thomas Street, Bombay
419	„ Purshotam Rattansey	„ Purshotam Rattansey	Dalal Street, Fort, Bombay
420	„ Framroze A. Mody	„ Framroze A. Mody	Vithal Sayna Building, Lohar Chawl, Bombay
421	„ Phiroze Sorabji Contractor	„ Phiroze Sorabji Contractor	Sorab Building, Armiston Road, Apollo Bunder, Bombay
422	„ Pahoomal Bros.	Messrs. The Japan & Shanghai Silk Merchants' Association	Jackeria-musjid, Bombay
423	„ Duncan Edward Sandeman	„ The Scindhia Steam Navigation Co., Ltd.	Sudama House, Ballard Estate, Fort, Bombay
424	„ Ranchhoddas Tribhovandas Popavala	Mr. Ranchhoddas Tribhovandas Popavala.	1-3, Girgaum Back Road, Bombay
425	„ Hasseinbhai A. Laljee	Messrs. Abdullabhoy Laljee & Co.	Samuel Street, Mandvi, Bombay
426	„ Navroji Ardeshir Narielwala	„ A. S. Narielwala & Co.	6, Apollo Street, Fort, Bombay
427	„ Balvant Krishna Rao Wagle	Mr. Balvant Krishna Rao Wagle.	8, Kandewady, Girgaum, Bombay
428	Sir M. Vishvesvaraya.	Sir M. Vishvesvaraya	3, Warden Road, Bombay
429	Mr. Ambalal Sarabhai	Messrs. Bakubhai Ambalal & Co.	65, Apollo Street, Fort, Bombay

Serial No.	Representatives of Members.	Names of Members.	Addresses.
430	Sir Jamsetjee Jijibhai, Bt.	Sir Jamsetjee Jijibhai, Bt.	Mazgaon Castle, Bombay.
431	Mr. C. B. Nanavati	Messrs. Nanavati Vevaina & Co.	Ismail Building, Hornby Road, Bombay.
432	,, S. D. Bhedwar	,, The Kinsmen Trading Co.	24, Churchgate Street, Fort, Bombay
433	,, Betram Chester	,, The Jupiter General Insurance Co., Ltd,	Tamarind Lane, Fort, Bombay
434	Mr. A. B. Oliphant	,, The Union Bank of India Ltd.	Fort, Bombay
435	,, Samaldas Lilachand	Mr. Samaldas Lilachand	Luharchawl, HarharvalaBuilding,Bombay
436	,, J. R. Gilder	Messrs. Billimoria Gilder & Co.	32. Apollo Street,Fort, Bombay
437	,, Mahamod Haji Aboo	,, Mahamod Haji Aboo	101, Cutlery Bazar, Bombay
438	,, Gulabchand Devchand	Messrs. The Pearl Merchants' and Jewellers' Association	2, Rampart Row, Fort, Bombay
439	,, R. N. Bapasola	Mr. R. N. Bapasola	Karanjia Building, Grant Road, Bombay
440	,, Ratanchand Khimchand Motishaw	Messrs. R. K. Motishaw & Co.	11, Humam Street, Fort, Bombay
441	,, Manmohandas Madhavdas Amersey	,, Amersey & Sons	Sudama House, Ballard Estate, Bombay
442	,, Surji Tricumdas Kothari	Mr. Surji Tricumdas Kothari	15–19, Samuel Street, Mandvi, Bombay 3
443	,, Lalji Rowji Khant	,, Lalji Rowji Khant	15–19, Samuel Street, Mandvi, Bombay 3
444	,, Narsingdas Sadani	Messrs. Gambhirchand Kedarnath	558, Sk. Memon Street, Bombay
445	,, Dwarkadas Ratansey	,, Karsandas Ranchhoddas	66, Bazar Gate Street, Fort, Bombay
446	,, K. R. Khosla	,, The Industrial and Exchange Bank of India Ltd.	Opp. General Post Office, Fort, Bombay
447	,, Keki D. Billimoria	,, Dadiba H. Billimoria & Co.	39–41, Apollo Street, Fort, Bombay

448	Mr. B. H. Readymoney	Messrs. B. H. Readymoney & Co.	112, Princess Street, Bombay
449	„ Jehangir P. Katgara	„ Jeena & Co.	34, Churchgate Street, Fort, Bombay.
450	„ Cavasji Jehangir (Jr.)	Mr. Cavasji Jehangir (Jr.)	Readymoney Building Apollo Bunder, Bombay.
451	„ Dhruva Sumanas	„ Dhruva Sumanas	65, Apollo Street, Fort, Bombay
452	„ Jayantilal Bhaidas	Messrs. The Indian Engineering Co., Ltd.	Hornby Road Fort, Bombay
453	„ Narotam Narandas Topan	„ Narandas Topan	Tamba Kanta, Pydhonie, Bombay
454	„ Pritamdas B. Advani	Mr. Pritamdas B. Advani	Marzban Road, Fort, Bombay
455	„ Keshavlal Lallubhai	„ Keshavlal Lallubhai	Khokha Bazar, Bhajipala Lane, Bombay
456	„ Mulraj Khatau	Messrs. The Khatau Makanji Sp. & W. Co., Ltd.	Ballard Pier, Laxmi Building, Bombay
457	„ Raghunath Chintaman Sohoni	Mr. Raghunath Chintaman Sohoni	Princess Street, Bombay
458	„ Cursetji Limji	Messrs. The Bombay Cycle & Motor Agency, Ltd.	16, New Queen's Road, Bombay
459	„ Nassurvanji S. Gazdar	„ Nassurvanji S. Gazdar & Co	Canada Building, Hornby Rd., Fort, Bombay
460	„ Ahmad Abdeenbhai Peerbhai	„ The Hindustan Tanneries, Ltd.	65, Esplanade Road, Fort, Bombay
46	„ Gordhandas Goculdas Morarji	Mr. Gordhandas Goculdas Morarji	Old Hanuman Lane, Kalbadevi Road, Bombay
462	„ Devidas Shamji	„ Devidas Shamji	Mulji Jetha Market, Chawk, Bombay
463	„ Girdhardas Liladhar	„ Girdhardas Liladhar	2, Rampart Row, Fort, Bombay
464	„ B. Das	Messrs. B. Das & Co.	23, Medows Street, Fort, Bombay
465	„ Hiralal Chhaganlal	„ Chhaganlal & Co.	Carnac Bunder Bombay 3
466	„ Chunilal Girdharlal	„ Chunilal Harilal & Co.	16-18, Green St., Fort, Bombay
467	„ Chaturbhuj Khiyasey	„ Damji Assaria & Co.	81-89, Chinch Bunder, Bombay.
468	„ Amiruddin Shalebhoy Tyebji	„ Shalebhoy Tyebji & Sons	20, Bank St. Fort, Bombay
469	„ Vishvanath P. Vaidya	Mr. Vishvanath P. Vaidya	10, Homji St. Fort, Bombay

Serial No.	Representatives of Members.	Names of members.	Addresses.
470	Mr. R. R. Nabar	Mr. R. R. Nabar	Share Bazar, Dalal St. Fort, Bombay
471	„ H. B. Chavda	Messrs. Manharlal & Co.	72, Apollo Street, Fort, Bombay
472	„ Yesvantprasad Hariprasad Desai	Mr. Yesvantprasad Hariprasad Desai	301, Hornby Road, Fort, Bombay
473	„ M. M. H. J. M. Chhotani	Messrs. Chhotani & Co.	Dontad Street, Khadak, Bombay 3
474	„ Behramji N. Gamadia	Mr. Behramji N. Gamadia	18, Homji Street, Fort, Bombay
475	„ Behram J. B. Petit	„ Behram J. B. Petit	"Mount Petit" Pedder Road, Bombay 6
476	„ H. M. Chowna	Messrs. H. M. Chowna & Co.	73, Apollo Street, Fort, Bombay
477	„ N. B. Saklatvala	„ The Tata Mills Ltd.	Navsari Building, Fort, Bombay
478	„ N. B. Saklatvala	„ The Swadeshi Mills Co. Ltd.	Do. do. do.
479	„ S. D. Saklatvala	„ The David Mills Co. Ltd.	Do. do. do,
480	„ S. D. Saklatvala	„ The Standard Mills Co. Ltd	Do. do. do.
481	„ Chamanlal Girdhardas Parekh	„ The Industrial Bank of Western India Ltd.	Lal Darvaja, Ahmedabad
482	„ Habib Ismail	„ Khoja Mithabhai Nathoo	Hanuman Building, Tamba Kanta, Bombay 3
483	„ Tribhuvandas Pragji	Mr. Tribhuvandas Pragji	Bhabha Buildings, Princess Street, Bombay
484	„ Ranchhoddas Tribhuvandas Mody	„ Ranchhoddas Tribhuvandas Mody	Ridge Road, Malbar Hill, Bombay
485	„ H. P. Mody	„ H. P. Mody	Gresham Buildings, Bombay
486	„ Ibrahim Gullamhussein Currimbhoy	„ Ibrahim Gullamhussein Currimbhoy (of Messrs. CurrimbhoyIbrahim & Sons)	Esplanade Road, Bombay
487	„ Phirozshaw Ratanji Desai	„ Phirozshaw Ratanji Desai	Nakhoda Street, Mandvi, Bombay

THE INDIAN MERCHANTS' CHAMBER AND BUREAU.

List of Magazines and Journals received in the Chamber's Library.

QUARTERLY.

1. Bombay Co-operative Quarterly.
2. The Indian Clerk.
3. Indian Economic Society's Journal.

MONTHLY.

4. Agricultural Journal of India.
5. American Exporter.
6. American Review of Reviews.
7. Birmingham Chamber of Commerce Journal.
8. British Export Register.
9. Cotton Spinning and Weaving Returns for Indian Mills.
10. Glasgow Chamber of Commerce Journal.
11. Harper's Magazine (London).
12. International Labour Review.
13. International Review of Agricultural Economics (Rome).
14. International Trade Developer.
15. Labour Gazette (Bombay Labour Office).
16. Liverpool Chamber of Commerce Journal.
17. Manchester Chamber of Commerce Journal.
18. Modern Review.
19. Netherland Indies Review.
20. The Overseas
21. Sea Borne Trade of British India.
22. Trade by Land of British India.
23. Welfare.

WEEKLY.

24. Board of Trade Journal (London).
25. Bombay Government Gazette (Parts I to VI).
26. Capital.
27. Commerce (Bombay).
28. Commercial Intelligence Journal of Canada.
29. Commercial Reports (Dept. of Commerce U. S. A.).
30. Economist.
31. Gazette of India (Parts I to V).
32. Indian Trade Journal
33. London Chamber of Commerce Journal.
34. Manchester Guardian Commercial.
35. Nation and the Atheneum.
36. The Nation (New York).
37. The New Republic (America).
38. Spectator.
39. Statist.
40. Times Trade Supplement (London).

GUJARATI

Monthly.

41. Nav-Chetan.
42. Bhagyodaya.
43. Budhi Prakasha.
44. Chetan.
45. Digamber Jain.
46. Dnyan Vardhak and Masik Mitra.
47. Gujarat.
48. Khetiwadi Vidnyan.
49. Rushi Mukh.
50. Sahitya.
51. Vaidya Kalpataru.

52. Vasant.
53. Yuga Dharma.

Marathi.

54. Udyam.

Managing Committee of the Indian Merchants' Chamber for the year 1923.

1. Sir Fazulbhoy Currimbhoy, Kt., C. B. E., (Chairman).
2. Devidas Madhowji Thakersey, Esq., J. P. (Vice-Chairman).
3. Manmohandas Ramjee Esq., M. L. A.
4. Honourable Mr. Purshotamdas Thakurdas, C. I. E., M. B. E.,
5. Honourable Mr. Lallubhai Samaldas, C. I. E.
6. Hansraj Pragji Thakersey, Esq.,
7. Lalji Naranji, Esq.
8. Honourable Mr. Phiroze C. Sethna, O. B. E.
9. Jehangir Bomanji Petit Esq., M. L. C.
10. Fazal Ibrahim Rahimtoola Esq.
11. B. F. Madon, Esq.
12. Ishwardas Laxmidas, Esq.
13. N. M. Muzumdar, Esq.
14. Girjashanker B. Trivedi, Esq., M. L. C.
15. Laxmidas Rowjee Tairsee, Esq.
16. Morarji Mulraj Khatau, Esq.
17. Mahomedbhoy Hajibhoy Lalji, Esq.
18. S. N. Pochkhanawalla, Esq.
19. S. B. Billimoria, Esq.
20. Gulabchand Devchand Zaveri, Esq.
21. Motilal Kanji, Esq,
22. Velji Lakhamsey Nappoo, Esq.
23. Kekobad Cawasji Dinshaw, Esq.

24. Kikabhoy Premchand, Esq.
25. Jamnadas Vassanji Manji, Esq.

(Co-opted Members).

26. The Bombay Shroff Association (H. D. Jasani Esq.)
27. Manu Subedar, Esq.
28. Walchand Hirachand, Esq.
29. Harnandrai Ramnarain, Esq.
30. Jamnadas Dwarkadas, Esq. M. L. A.

CHAIRMEN OF THE INDIAN MERCHANTS' CHAMBER.

Mr. Manmohandas Ramji M.L.A. 1907 to 1913.
Hon. Mr. Purshotamdas Thakurdas C.I.E.M.B.E., 1913-1914.
Sir Fazulbhoy Currimbhoy 1914-1915.
Hon. Sir Dinshaw Edulji Wacha 1915-1916.
„ Mr. Lallubhai Samaldas C.I.E., 1916-1917.
Late Sir Vithaldas D. Thackersey 1917-1918.
Hon. Mr. Chunilal V. Mehta 1918-1919.
Mr. Jehangir B. Petit M.L.C. 1919-1920.
Mr. Lalji Naranji 1920-1921,
Hon. Mr. Purshotamdas Thakurdas C.I.E., M.B.E. 1922.

Secretary :—Mr. J. K. Mehta, M. A.

Assistant Secretaries :— { Mr. S. M. Muzumdar M.A. L.L.B.
Mr. K. M. Desai, B. Com.

Representative of the Chamber on the Indian Legislative Assembly:—

Mr. Manmohandas Ramji M.L.A.

Representative on the Bombay Legislative Council.

Hon. Mr. Chunilal V. Mehta.

Chamber's Representatives on the Board of Trustees of the Bombay Port Trust.

1. Hon. Mr. Purshotamdas Thakurdas C.I.E., M.B.E.,
2. Mr. Devidas Madhavji Thackersey.
3. Mr. Chhotalal Kilachand Devchand.
4. Mr. Ishwardas Laxmidas.
5. Mr. Lalji Naranji M.L.C.

Chamber's Representative on the Bombay Municipal Corporation.

Mr. Ishwardas Laxmidas.

Representative on the Advisory Committee to the Bombay Development Department.

Mr. Lalji Naranji

Representative on the Advisary Committee of the Director of Industries.

Mr. Lalji Naranji.

Representative on the Indian Central Cotton Committee.

Hon. Mr. Purshotamdas Thakurdas. C. I. E. M. B. E.

Representative on the Advisory Committee of the Royal Institute of Science in Bombay.

Hon. Mr. Purshotamdas Thakurdas C.I.E. M.B.E.

Representative on the Advisory Committee of the Grant Medical College Bombay.

Sir Fazulbhoy Currimbhoy (Ex-Officio).

THE INDIAN MERCHANTS' CHAMBER.

Annual General Meeting.

The Fifteenth Annual General meeting of the Chamber was held at the office of the Chamber on Saturday the 24th February 1922 at 3 P.M. (S.T.) to transact the following business :—

1. To receive the report of the Managing Committee for 1922.

2. To declare the result of the election of the Members of the New Committee.

3. To appoint an Auditor to the Chamber for the ensuing year.

In the unavoidable absence of the Hon. Mr. Purshotamdas Thakurdas owing to his engagement on the Indian Retrenchment Committee, Mr. Devidas Madhavji, the *vice*-President of the Chamber presided.

The following Members were present :—

1. Sir Fuzulbhoy Currimbhoy Kt. 2. Mr. Manmohandas Ramji. 3. Mr. Motilal Vallabhji. 4. Mr. Hansraj Pragji Thackrsey. 5. Mr. M. M. Amersey. 6. Mr. B. F. Madon. 7. Mr. N. M. Muzumdar. 8. Mr. Valchand Hirachand. 9. Mr. Mohmedbhai Hajibhai Lalji. 10. Mr. Gulabchand Devchand Jeveri. 11. Mr. Manu Subedar. 12. Mr. Ishwardas Laxmidas. 13. Mr. Fazal Ibrahim Rahimtulla. 14. Mr. Morarji Mulraj Khatau. 15. Mr. Jagjivan Gordhandas. 16. Mr. Gordhandas Haridas. 17. Mr. Naranji Dayal. 18. Mr. M. V. Merchant. 19. Mr. Chamanlal P. Mehta. 20. Mr. Vithaldas D. Govindji. 21. Mr. Karsandas Kurji Dharamsee. 22. Mr. B. Dhas. 23. Lakhmichand Padamsey. 24. Mr. M. A. Master. 25. Mr. R. N. Bapasolla. 26. Mr. Morarjee Hemraj. 27. Mr. Mathradas Kanji. 28. Mr. Tricumdas Chakubhai. 29. Mr. Ranchhoddas Vallabhdas Kanji. 30. Mr. V. A. Desai. 31. Gokaldas Ranchhoddas. 32. Mr. Hatim Attari. 33. Mr. R. M. Bhat and others.

In proposing the adoption of the report, Mr. Devidas Madhowji Thakersey made the following speech :—

SPEECH OF MR. DEVIDAS MADHOWJI THAKERSEY, VICE-PRESIDENT.

Gentlemen,—Before proposing the adoption of the report and the audited accounts and Balance Sheet of the Chamber for the year ending 31st December 1922, printed copies of which have been duly circulated among the members, I take, with your permission, this opportunity of offering a few remarks on some of the most important matters of general interest arising therefrom.

As you are doubtless aware your Committee thought it desirable to postpone the date of this meeting in order to have the pleasure of the presence of our retiring Chairman, the Hon. Mr. Purshotamdas Thakurdas, on this occasion. But unfortunately he was unable to attend the meeting because of his detention in Delhi, both as a member of the Retrenchment Committee and of the Council of State. He has, however, forwarded to the Secretary his message of hope for the Chamber, if I may so call it, which the Secretary would presently read before you.

During the year under report the Hon. Mr. Purshotamdas guided the affairs of the Chamber at a great sacrifice of his personal comforts and valuable time and it would have been more in the fitness of things had it been convenient for him to preside over this meeting. I am sure you are with me when I say that his presence is badly missed by all of us on this occasion.

Amongst the most important matters that engaged the attention of your Committee during the year under report may be mentioned the following:—the Tariff Commission, the report of the Railway Committee, and the general question of State versus Company management of Indian railways, the Joint Deputation of the Indian and European Chambers of Commerce that waited upon His Excellency the Viceroy regarding the retrenchment question, and the treatment of Indians in the Colonies, especially East Africa. As for the Fiscal Commission's report the country at large is thankful to the Hon'ble Sir Ibrahim for rendering a great service to the cause of Indian trade and industry, by his able lead and far-sighted minute of dissent. Unfortunately this minority minute has not proved

acceptable to the Government and the Legislative Assembly as decided by the resolution passed at their recent meeting. However there is some satisfaction to note that the Government have accepted the principle of Protection for the promotion of Indian industries with certain reservations, and if honest efforts were made to initiate the policy as accepted by the Hon. Member-in-Charge for Commerce and Industry in near future, I, for one, will believe that the labours of the Fiscal Commission have not been spent in vain. At the same time looking to the past traditions of the Government of India in this matter ever since the days of the East India Company down to the present time the Indian commercial community may justly be not inspired with a feeling of high confidence as to the future policy for protecting and promoting Indian industries. It is a matter of common knowledge that before the advent of the British in India arts and handicrafts flourished in this country and India carried on an extensive trade with foreign countries in Indian bottoms. Unfortunately, those arts and industries have since then been gradually extinguished with the result that India stands in the humiliating position of depending upon foreign markets even for such articles which were once her own special manufactures. This helpless position of India cannot by any means be regarded as a piece of British administration which can be looked upon with pride or credit even by the British nation. Let us therefore hope that the Government of India having now accepted the principle of fostering our industries, will now divert their energies for putting the same into practice with the same zeal that the East India Company and the subsequent British Administration displayed in the work of their destruction. We can safely urge that as a first step towards the application of new policy, the mill-stone which has been tied hanging round the neck of India for so many years in the shape of Excise duty be removed at the earliest opportunity. The plea against this abolition that the finances of the Government of India will not allow of it, cannot stand examination for long. There are a number of commodities largely imported into India which are used by well-to-do people and cannot be regarded as necessities by the poor population in the interior of the country. These commodities such as spirits,

wines, scents, patent medicines, refined oils, paints, stationeries, glasswares, superior hosiery, all kinds of silk piecegoods, and gold and silver laces and ribbons, can well bear the burden of heavier import-duty which will, if levied fill up the deficiency in the revenue, at the same time protecting and promoting the manufacture of those articles in the country. If in the next budget or soon thereafter the Government initiate the system of taxation on these lines, we will have strong reason to believe that they are going to push forward the policy as adopted. At the same time it must be admitted that our great millowners instead of resting themselves content with the big reserves that they have built up as a result of the big war profits must also make an effort towards putting new machinery which would enable them to turn out finer goods and also to print coloured piecegoods in this country. Here there is a vast field because of the custom and age-long popularity which those goods have obtained with the people at large. It must be admitted that for the manufacture of these goods we shall have to depend upon foreign cotton, skilled labour and foreign exports but by continued efforts these can be achieved and we long for the day when we can see these goods manufactured at our home.

Now we come on the next subject. Soon after the publication of the report of the Indian Railway Committee, your Committee urged upon the Government the advisability of not taking any action in the matter until the whole question was threshed out in both the Houses of Indian Legislature. In their representation addressed to the Government in this matter your Committee incidentally dwelt on the necessity of buying the stores for Indian railways in the cheapest market. In order to place before the Government the combined views of all the Indian Chambers of Commerce on this all-important question your Committee also convened a Conference in the rooms of the Chamber of the leading Indian Chambers of Commerce in the month of August last and the resolutions that were passed at that Conference are embodied in the report that is before you. In the matter of goods traffic though the Railway companies as common carriers are bound to take care of the goods entrusted to them it is notorious that they disown their liability for loss or damage to goods

in transit to the utter detriment of the Indian trading community. In order to enquire fully into this matter the Government of India appointed a Railway Risk-note Committee to whom your Committee made some practicable suggestions, but matters have still not improved and stand as they were. The debate on the question of State versus Company management of Railways comes off on Monday next before the Indian Legislature and we are anxiously awaiting the result.

Another important question which engaged the attention of the Committee was the ever-growing expenditure of the Government of India. As you are aware our President after carefully considering the question arranged for a joint deputation of the Indian and European Chambers of Commerce in India which placed before His Excellency the Viceroy the considered views of the Indian and the European commercial community on this important question. As a result partly of that deputation the Government of India were pleased to appoint a Retrenchment Committee and although the report of that Committee is not yet published we sincerely hope that the Committee will make substantial proposals towards the retrenchment of military expenditure and the general expenditure of the Government of India. While I am on this question I can not help regretting the scant respect which the Council of State has paid to the resolution of our respected and veteran leader, Sir Dinshaw Wachha, in the matter of the disamalgamation of the Army expenditure. The process of continually increasing the Indian military expenditure is almost contemporaneous with the process of gradually killing Indian arts and industries since the 17th century, and I very much fear that if the Government of India will not be wise in time in reducing the Indian military expenditure they will themselves be instrumental in giving rise to delicate situation predicted by Sir D. E. Wachha. We therefore anxiously await the recommendations of the Retrenchment Committee and also the Budget announcements of the Finance Member.

Lastly I come on the present situation under which we labour in conducting our trade and commerce. England which is growning under debt as a result of the late war is

trying to revive her industry and trade by reducing the cost of commercial services like Post, railways, shipping, labour charges, etc. . We in this country on the other hand are asked to bear heavier costs for such services. Combined with these difficulties our trade have been undergoing severe tests under the uncertainties of artificial and fluctuating exchange with the complexed system of our Currency. No sincere efforts for salvation seem to be in sight and we anxiously wait for the day when we shall have at least some relief in these directions. It is hoped that the Government of India will pay due regard to the recommendation of this Chamber in the matter, when the same is brought before them. The grievances of Indians abroad have grown almost unbearable and the public feeling against the bad treatment accorded to Indians in the Colonies is growing so acute that it behoves Government to initiate a rigorous policy in the interests of Indian subjects.

I now come to the last important matter in which the Government have responded to the wishes of the Indian commercial community in the appointment which they have been pleased to make of Mr. Dadiba M. Dalal as the first Indian High Commissioner. Mr. Dalal will very shortly take charge of his appointment and it is hoped that in future the interests of India will be safe in his hands.

Gentlemen, in conclusion, I beg leave to draw your attention to the finances of our Chamber. In view of the vigilance which is required of our Chamber for safeguarding the interests of the Indian commercial community heavy expenses are to be incurred towards its maintenance. From the Balance Sheet of the last year you will see that the financial position of the Chamber is very far from satisfactory and I hope that the new Committee which comes into power will be alive to this situation and recommend to the general body for adopting due measures for placing our organisation on a sound and permanent footing.

I also take this opportunity of congratulating our incoming Chairman, Sir Fazulbhoy Currimbhoy, who has kindly consented to give the benefit of his vast industrial and commercial experience to this Chamber and to preside over its deliberations for the next year. We are indeed thankful to him for having accepted the onerous duties

of the President. I have also to thank you sincerely for re-electing me as your Vice-Chairman and the Secretary and the Staff of the Chamber for the arduous duties they have performed during the year.

With these words, Gentlemen, I move for the adoption of the report and the audited accounts of the Chamber.

The Secretary then read out the followng speech of the Hon. Mr. Purshotamdas Thakurdas.

Speech of the Hon'ble Mr. Purshotamdas Thakurdas C.I.E., M.B.E, the retiring President of the Indian Merchants' Chamber, Bombay.

Gentlemen,—Need I say that I am sorry that I have not the pleasure of being able to preside at the Annual General Meeting, when the report of the Committee for the past year is to be considered by you. In view of the public duty on which I am engaged I need hardly however ask your apology. At the last three quarterly meetings I had the privilege of addressing you on important current topics that interested the Indian Commercial community during each period. But I have had to be absent from Bombay since the last quarterly meeting in October and I trust that my friend Mr. Devidas Madhowji, the Vice-President's remarks before you will touch on the subjects that have engaged the attention of your Committee since then.

A somewhat peculiar complaint against the work of this Chamber in particular and the Indian Commercial bodies in general has recently been that we do not restrict our energies to purely commercial questions but allow the same to extend to political spheres. I contend that there is no justification for such complaints; and I certainly maintain that during the year under review there has been no ground for such an allegation. Indeed there is no dearth of associations and public bodies in India to take up and speak on political questions, from the Indian point of view. But where commercial interests depend upon the political powers of the Legislature or even of the Government of India, both of which are far from complete at present, or where political powers vested in other bodies abroad handicap Indian commercial interests there, surely the most punctilious ought to have no ground for drawing a hard and fast line defining how far

commercial bodies should go and where they should stop. The interference of Lancashire's interests in Indian fiscal questions is an example of the former, and the threatened rights of the citizenship of Indians in the Colonies may be quoted for the latter. After all, it is not to be overlooked that European commercial interests in India have open to them other channels of influence, and generally of making their views felt, which privilege the Indian commercial community does not yet enjoy. If therefore, we have to communicate our views to the Central and Provincial governments more often than our colleagues, the European commercial bodies one need not run away with the idea that we busy ourselves with problems detached from commercial interests. Political conditions indeed, vitally affect these interests. And in a transitional stage of the political status of India the widest watch and ward are necessary on the part of every section of the Indian public and workers in the progress of India all round.

I therefore think it of the greatest importance that persons of all shades of thought and opinion should be in the legislatures of India and of the Provinces. It is very distressing indeed to hear that there is even a talk of entering Councils for the purpose of wrecking them, or obstructing Government, in directions, where no obstruction can be justified. It is very much to be wished that nothing disastrous like this will happen. India has a good deal of leaway to make up in the direction of nation building, and there is not the least doubt that little can be achieved by either destructive or wrongfully obstructive efforts. I fully realise that when constructive work does not meet with encouragement or support from the powers that be, there may be an inclination by impulse to rush to the other extreme. This perhaps is a natural foible of human nature, but I hope that in the years to come responsible and thinking people will set their faces absolutely against any such tendencies. I am not unaware of the immense work that still remains to be done and the vast amount which can be quoted as having been left undone by the present Legislature. Perhaps, those who complain in this direction have some justification. It is not possible to discuss general statements satisfactorily; but I will say only this, that whilst the powers and privileges that India possesses to-day may be small and nominal, as is often remarked,

there is no doubt that they are capable of very substantial utility if properly used at the right moment. And for this proper use the best intellect of the country is necessary. I do not belong to the class that think that Indian interests and aspirations are doing much too well under the present constitution; but I certainly belong to the class which feels that if we are not doing better, we have in the first instance to thank our own selves. I am convinced that self-help and self-discipline are two virtues, which we need to infuse into our public work in a much larger measure. Whilst I may not be optimistic of the near future, I certainly am not pessimistic, and I do not think it would be rash to observe that in the long run India must benefit by constructive, organised and persistent efforts towards the attainment of her most cherished goal.

The recent rise of the Bank Rate in India to 8 percent and of the discount rate to about 10 percent has caused great disturbance at all commercial centres in India, and Government securities of all descriptions have been driven to a discount. The reason for this is that there is not sufficient measure of elasticity in the Indian note issue, and, its power of expansion with a special view to meeting the seasonal demand for additional currency is limited. The Majority Report of the last Indian Currency Committee took a very narrow view on the subject. While they recommended that notes up to five crores can be issued on the security of commercial bills of exchange in addition to the normal issue, they made a fatal mistake in recommending that such notes should not be provided to the Imperial Bank of India at a lesser rate of interest than 8 percent. To afford such nominal assistance at the usurious rate of 8 percent would give little relief in any country, and is naturally most unsuitable to Indian conditions. For genuine and anything like adequate relief, the Indian Paper Currency Act should be forthwith amended and the Imperial Bank of India should be allowed to borrow up to ten or even fifteen crores of Rupees against hundies, at a rate in the proximity of 5 percent. The agricultural population of India, whose interests Government claims particularly to look after is compelled under the present circumstances to part with its produce at low rates.

Everywhere one hears the complaint that at the present moment the India Office is lending out in London millions of pounds sterling belonging to India's Gold Standard Reserve and the Secretary of State's cash balances, at a rate of not more than two percent. The people of India are compelled to give rates of more than eight percent for their legitimate industrial and trade requirements. I am grieved to remark that this lends colour to the charge that a policy ruinous to the agricultural, commercial and industrial interests of India, and adding to the effect of the world-wide depression, is being enforced on India against what would look to anybody, not in the secrets of the Government of India or the India Office, as India's best interests. No country can thrive when the discount rate is forced up to the vicinity of ten percent at the time of marketting her raw produce. It is essential therefore to take prompt measures to remedy the seasonal scarcity and high rates of interest on money in India, so that her commerce and industries as well as agriculture, can benefit or at any rate are not hampered, and when Government can borrow at about five to six percent. It is earnestly to be desired that the Government of India will bring up a Bill to amend the Paper Currency Act in this direction.

The whole country is anxiously awaiting the first budget of Sir Basil Blackett, who has the reputation of being a great authority in Europe on problems of currency, exchange and finance. At the International Economic Conference of Genoa in April-May 1922, Sir Basil was the Chairman of the Committee of experts attached to the Financial Commission. He and his eminent colleagues in their valuable report have expressed the view that there are undoubted advantages to be obtained by a return to pre-war parity, but that in countries where currency has fallen far below the pre-war parity, such a return must involve serious social, and economic dislocation; and they suggested that "a considerable service will be rendered both to its own internal economy and to the cause of European recovery by that country which, after reaching comparative stability in its country at and point so far below the old parity has to make return to it a long a painful process, first decides boldly to set the example of securing immediate stability in terms of gold by fixing a new gold par

at or near the figures at which comparative stability has been obtained." In India, the costly, and, may I say, ghastly experiment of maintaining the Rupee at 2 s. has miserably failed. But since May at least we appear to have settled down round about 1s. 4 d. to the Rupee, and it would be interesting to know if, in the opinion of our Finance Minister, there is any obstacle to India looking upon that figure as the figure at which comparative stability has been obtained. The Indian commercial community is justified in looking to Sir Basil to act up to the principles he laid down as Chairman of the Genoa Committee of Experts, I am aware of no valid reason or excuse for deferring this. India must have a proper Gold Standard based on the Rupee at 1 s. 4 d. gold, *i. e.*, Rs. 15/- to the Gold Mohur or gold Sovereign, and the Government of India must be ready to Mint Gold Mohurs as soon as bullion is tendered to the Currency Offices and to the Mints.

It only remains for me to congratulate the Chamber on their new President. It may be a peculiar coincidence, but this is the second time that I have the pleasure of handing over the Presidentship of the Chamber to my friend Sir Fazulbhoy and I have no doubt he will be able to give the Chamber the full benefit of his ripe experience and guidance. I am very glad that Mr. Devidas has agreed to be the Vice-President for the next year.

Of behalf of the Committee I would like to express my appreciation of the zeal with which the staff of the Chamber from the Secretary down-wards assisted me during the year.

Sir Fazulbhoy's Speech.

Mr. President and Gentlemen,—At the outset I must indicate to you how thankful I am for the honour which you have conferred upon me by unanimously electing me for the position of the Chairman of the Chamber. I had the privilege of occupying the chair during the year 1914-15 and as far as I can see, the position of the Chairman for the forthcoming year would not be altogether a bed of roses. Since you have called upon me, I shall undertake the duties, but, I

fear my task will be a heavy one and I shall not be able to do justice to that task unless I have the wholehearted co-operation of your new Committee and of the members generally. There was a time in the past before the war-when the position of the Chairman of the Chamber was an honorific one involving no heavy calls either on his time or on his mind; but the work has since increased enormously with the growth of the position of the Chamber itself, and the economic position of the commercial community of Bombay and throughout the country has so materially altered from its normal currents before the war giving rise to many difficulties, many problems and many perplexities.

While thanking you for the honour which you have conferred upon me, it is my duty to refer to some of the problems which we will have to face. The greatest problem, it seems to me, is the problem of adjustment through the period of transition when this country is passing through both political and economic transition. I need not refer to the political transition here in detail before this body, but there is no doubt that our rulers are recognising that India is destined to take the control of her internal affairs in her own hands, and we on our part must give them the credit that they are genuinely trying to bring about this adjustment with the least amount of dislocation. On the other hand, the economic problems of the transition period are many and serious.

The world is still suffering from the wounds inflicted upon it by the war and, though India was happy in not having any warfare on her own soil, India's contribution, direct and indirect, to the expenses of the war and in the many hardships suffered by all classes of the community, has not been small. Of this contribution generous-minded Englishmen have made ungrudging acknowledgment from time to time. We are now suffering principally from a tradition of interference from London which might have served its purpose in days gone by, but which at the present time gives rise to delays, difficulties and suspicions. This interference in economic matters relating to India on the part of London has to be withstood by us and we have got to expose from time to time in what way the interests of this country suffer on account of this interference. We want the

Government of India, whoever they are for the time being, to be trusted to adjust matters on all economic issues, pursuing public opinion in the country as expressed in the Council and by commercial bodies like us. I cannot help thinking that a good many of the more difficult problems would be solved once the angle of vision is altered and confidence is placed on the Government of India to do the right thing in consultation with their Council and in consultation with public opinion of the country.

On behalf of this Chamber, I think I can safely proclaim that we Indians have every desire to see justice done to all existing interests. We believe in the sanctity of contracts and believe in the policy of "live and let live." We shall not, on our part, make any demands which may involve any injustice being done to any existing English interests in this country. But, subject to this, we must have ungrudging adjustment in the larger economic problems such as currency, finance and tariffs made by the Government of India in consultation with their Council and Indian public opinion.

This is hardly the time for me to detain you with any details of the larger issues in the field of finance and currency and exchange, retrenchment, railway management, shipping, tariffs, etc. This Chamber has always been alive to all these problems and has from time to time sent in her views, which the Government of India have before them. These views have not always found acceptance owing to the pressure which is being brought upon the Government of India by the Secretary of State and his Council. It is no longer a secret that on many an occasion the Government of India have been obliged to disregard the clear dictates of Indian public opinion under pressure from England, and it is regrettable that this state of affairs should continue. We all await with interest the report of the Retrenchment Committee and the proposals for the forthcoming budget. I believe the business community is already taxed in more directions than one at a very high pitch and this tax they are the less able to bear on account of the depression of trade, which has overtaken this country in common with the rest of the world. We shall stoutly oppose any proposal for fresh taxation on the business community of India so long as the octopus for military expenditure has not been

brought under control and under measurable limits of expenditure which this country can properly afford. The present chaotic condition of law in reference to currency and exchange is well-known to you and with the greatest deference to His Excellency the Viceroy, I cannot agree that the Rupee will take care of itself if left to itself. It is my humble opinion that fixity of exchange is not very desirable in itself; but, while that is so, we cannot have the present condition of our currency forced down upon this country against the unanimous Indian opinion as expressed before the Babington-Smith Committee and continued now solely in the interests of the English money market. What we want is natural conditions for the inflow not only of gold bullion but of gold sovereigns in this country, and we want the currents of trade reflecting favourable or adverse balances to be adjusted automatically by the movement of gold. This position is at present wanting so long as according to law the sovereign is worth Rs. 10 only. Who will import sovereigns in this country and be willing to receive Rs. 10 in return? The problem of deflation also wants very careful handling and it is a pity that the Government of India do not consult Indian opinion more frequently in an informal way in taking one or the other action from time to time. However well-intentioned their action may be, it is often subject to misinterpretation when it is divorced from consultation with leaders of Indian public opinion.

On the question of railway management this Chamber has from time to time expressed themselves clearly and unmistakably and we have in favour of the views expressed by this Chamber the majority report of the Railway Committee including the unshakeable authority of its Chairman, Sir William Acworth. It is a pity that decisions on these issues are being delayed. Similarly there is the issue of the purchase of stores in this country, on which Government's attitude has been misunderstood by the Indian public and has given considerable ground for dissatisfaction.

We have also to watch very closely the action of the Government on the question of the constitution of the Tariff Board and of translation into practice of the policy suggested by the Tariff Commission. It is gratifying to see that the Government of Bombay are gradually

recognising the status and position of this Chamber as the central body of Commercial men with vast stakes in this country and, as such, are entitled to recognition and hearing. In this connection it is satisfactory that this Chamber will at last have adequate representation on the Board of the Bombay Port Trust. In various other directions the rights of this Chamber have to be recognised and in this connection we shall not fail to knock at the door from time to time.

India's trade with the world is still in its infancy and has got to be developed. Our direct connections with the world are absolutely restricted and limited. I have often thought that this insular character of our trade is a very damaging thing to us, and that India's trade could be developed if we had Indian commercial attaches placed with the British legation at the principal commercial centres of the world. This question the Chamber has pressed on the Government over and over again, and I trust Government will see their way to make a beginning in this direction before very long. Every British Colony in the world has machinery appointed from the colonial capital to seek new avenues of trade and India's resources, which are vast at present and not fully utilised for the good of her people, could be developed in this direction if proper connections were established with various parts of the world.

We have also before us the question of improving the constitution of this Chamber and of increasing the resources of the Chamber in order to cope with all the increased work. A body, occupying such a central position as this, ought not to be stinted for legitimate expenditure and it speaks much for the backwardness of our commercial community that they cannot recognise any good which is collective, *i. e.*, which affects the whole commercial community and reflects beneficially on the interests of every individual firm directly. We have collective interests of no small magnitude and, as the only public vehicle for expressing the views of these interests on larger questions in the Administration affecting finance and the economic life of the country, we should be prepared to build up the life of this Chamber, to create larger interest in its activities and to secure the

necessary finance. In conclusion, I would thank you again most heartily for the honour that you have done me and I would invite again your willing co-operation and assistance in carrying on the difficult task of the forthcoming year.

After two or three members had spoken, the report was unanimously adopted. The Secretary then announced the result of the ballot for the Chairman, the Vice-chairman and the members of the Committee for the ensuing year.

After appointing Mr. Devidas Vithaldas as the auditor for the next year and after a vote of thanks to the Chair the meeting terminated.

REPORT OF THE COMMITTEE
OF THE
INDIAN MERCHANTS' CHAMBER

for the year 1922 to be presented to the Annual General Meeting of the Chamber held on 24th February 1923.

Your Committee have pleasure in presenting the Fifteenth Annual Report of your Chamber. During the course of the year 46 meetings were held, the work done being of a varied and important nature.

The principal subjects discussed were :—

1. The Bombay Telephone Service :—

The Committee being informed that the Government of India were about to enter into a contract with a British firm for the working and maintaining of telephones in Bombay, a telegram was sent to the Government of India, Commerce Department, Delhi, stating that the Committee strongly objected to the proposed agreement. The Committee further urged Government to consult Indian public opinion before taking final action in the matter. The Government of India, in reply, informed the Committee that they were considering the question of entering into a contract with the Bombay Telephone Company supplementary to their main license with the object of ensuring a better service and that before that contract was ratified the Government of Bombay would be consulted on the subject. It was also stated that the Committee were misinformed that the Government intended to enter into an agreement with an English firm. Subsequently a letter was received from the Government of India,

Public Works Department, forwarding for the information of the Chamber copy of the Agreement made by the Government of India with the Bombay Telephone Company relating to the Telephone System at Bombay. The attention of the Chamber was particularly drawn to the provision in clause (4) which intended to secure that the interests of the Chamber would be duly represented on the Directorate of the proposed new Company. The clause under reference provided *inter alia* that a Board of Directors of the Company which might subsequently be formed to carry on the undertaking shall include one duly qualified member each of the Committee of the Bombay Chamber of Commerce and the Indian Merchants' Chamber and Bureau, Bombay, to be nominated by the Directors of the Company. The Committee in reply sent a letter to the Government of India saying that it would have been better if the Committee of the Chamber were asked to elect a member to the Board of Directors of the Company instead of one of their own members being nominated by the Board.

2. Fiscal Commission :—

The Secretary, Indian Fiscal Commission, forwarded a list of questions and invited the views of the Chamber on such points as they might wish to deal with. The Committee in reply sent their views on the various points raised in the questionnaire. The Memorandum giving the detailed views of the Chamber has already appeared in the Press. Mr. Purshotamdas Thakurdas, C.I.E., M.B.E., M.L.C., Chairman of the Chamber with Messrs N. M. Muzumdar and B. F. Madon gave oral evidence before the Commission on behalf of the Chamber.

3. Position of Indians in East Africa :—

The attention of the Committee was drawn to the Reuter's telegraphic summary of the speech made by the Right Honourable Mr. Churchill, Secretary of State for the Colonies, at the East African Dinner in London on the 27th January 1922. The Committee sent a telegram of protest to the Right Honourable the Prime Minister of England stating that the Committee read Mr. Churchill's speech with gravest concern and immense disappointment. It constituted a direct violation of promises and pledges of equal citizenship-rights for Indians

in the Empire. The violation was specially resented as Indians had been admittedly the pioneers in developing East Africa. The Committee further appealed that the Prime Minister would be pleased not to accept but to modify the decision announced by Mr. Churchill so that it might be in keeping with natural rights of Indians as common subjects of the King Emperor with white settlers. In conclusion it was stated that the confirmation of the policy as announced by Mr. Churchill was bound to rankle for ever in India.

4. British Chambers of Commerce in foreign countries and the use of the title "British Empire Chambers of Commerce" by approved Chambers:—

The Government of Bombay, Revenue Department, forwarded for the views of the Committee a copy of the Government Resolution No. 1922, dated 19th October 1921, regarding the constitution of the British Chambers of Commerce in foreign countries and the use of the title "British Empire Chambers of Commerce" by approved chambers. The committee in reply stated that they approved of the idea of encouraging the formation of the Chambers of Commerce in foreign countries and the use of the title "British Empire Chambers of Commerce".

5. Open spaces as public recreation grounds for the Citizens of Bombay:—

The Secretary, European Association, Bombay branch, forwarded for the information of the Committee a copy of the resolution which the Association sent to the Governor-General-in-Council and the Municipal Commissioner, Bombay, as passed by his Committee at their meeting held on Thursday, the 5th January 1922, for the retention of the Cooperage, Marine Lines Maidan and other open spaces as public recreation grounds for the citizens of Bombay. The Committee wrote to the Secretary to the Government of Bombay, General Department, inquiring if Government had come to any decision regarding the resolution. A letter was received from the Government of Bombay, General Department, forwarding for the information of the Chamber copy of a letter addressed to the European Association in the matter of the resolution passed by that body regarding the retention of the

Cooperage and Marine Lines Maidan and other open spaces as public recreation grounds. In the letter it was stated that before the diversion to other purposes of any existing open spaces was decided upon in future ample opportunity would be given by the Development Department to all interested parties to consider the actual proposals and to express their views. It was also stated that no action of the nature, however, was contemplated in the existing state of the development scheme.

6. Amendment of the Indian Contract Act :—

A letter was received from the Government of Bombay, Home Department, enclosing a copy of the Government of India's letter No. F—399, dated 2nd November 1921, regarding Dr. Gour's Bill to amend the Indian Contract Act. The Bill intended to provide statutory prohibition of transactions held void in England on the ground of champerty and maintenance. The Committee of the Chamber in reply expressed their approval of the provisions of the said bill.

7. Tenders by the Bombay Municipality :—

The attention of the Committee was drawn to a notice for the supply of medicines and medical appliances to the different Municipal Departments which appeared on page 2 of the Bombay Chronicle dated the 17th February 1922. One of the clauses in the said notice provided that all "locally manufactured drugs," such as liquors, liniments, etc., would not be accepted by the Municipality. The Secretary, the Bombay Municipality, being asked the reasons for restrictions upon the locally manufactured products informed the Committee that the clause in the notice objected to was a legacy of the past as it was first incorporated in the advertisement many years ago. The letter further stated that the said clause would be deleted from future advertisements, the form of which would be modified so as to suit the present condition of the Indian market of high grade preparations and chemicals.

8. Simplification of Inland Statistics :—

A letter was received from the Government of Bombay, Revenue Department, enclosing copy of a letter from the Government of India,

Department of Commerce, No. 729, dated the 6th February 1922, with its accompaniments on the subject of simplification and improvement of Inland trade statistics. The Committee in reply informed the Government of Bombay that they generally approved of the change suggested in the Government of India's letter.

9. Workmen's Compensation :—

A letter was received from the Government of Bombay, General Department, enclosing a copy of the Government of India's letter, Industries Department, No. L. 389 dated 29th July 1921, regarding legislation for the provision of compensation to workmen for injuries received by them in the course of their employment. The Committee while expressing their approval for introducing such a legislation enquired of the Government whether the idea of legislation for compensation to workmen was suggested to them by cases in which well-deserved compensation was refused by the employers of labour in India. The Committee further said that legislation in such matters had a tendency to be inelastic and so might go against the best interest of those for whose benefit it was meant. In conclusion the Committee expressed their strong opposition to the establishment of New Courts or tribunals for the administration of any legislation in the matter.

10. Public employment agencies :—

A letter was received from the Government of Bombay, General Department, enclosing copy of a letter from the Government of India, No. L.-927, dated 30th September 1921, regarding the Draft conventions and recommendations of the Labour Conference, Washington, on Public Employment Agencies. The Committee in reply said that they regretted very much that they were not able to accept the views expressed by the Government of India, as they were not aware of any wide-spread unemployment among industrial workers of this presidency, so as to necessitate the establishment of public employment agencies. With regard to the specific instances of certain districts of Behar and U. P. where the supply of industrial labour was stated by the Government to exceed the demand the Committee stated that the work of diverting the excess of labour to more profitable channels could easily

be carried out by the Administration. The Committee in conclusion said that in view of heavy financial difficulties of India it was inadvisable to start any new department or create new posts.

11. Workmen's Breach of Contract Act :—

A letter was received from the Government of Bombay, Home Department, enclosing copy of a letter from the Government of India, No. F-188—Judicial, dated 1st of October 1921, regarding the workmen's Breach of Contract Act as amended by the Act of 1920. The views of the Chamber were also invited on the question of repeal of sections 490 and 492 of the Indian Penal Code. The Committee in reply stated that as the times and conditions regarding both labourers and employers were materially changed since the passing of the Workmen's Breach of Contract Act it was not at all necessary to retain it on the statute book any longer. The Committee further stated that the act was an example of what might be termed class legislation and as such was likely to harm the cordiality of relations that should exist between capital and labour. With regard to sections 492 of the Indian Penal Code, the Committee said that it was liable to the same objection as the Workmen's Branch of Contract Act and should be repealed. With regard to the other section, viz. 490 also the Committee expressed their views in favour of its repeal with the proviso however that it might be retained if provinces where railways and steamships were not available for transport, expressed themselves in favour of it.

12. Allowances to appraisers :—

In reply to the Committee's letter to the Government of India, Department of Commerce asking the Government to abolish the system of rewards to appraisers, a letter was received from the Department stating that the system was long established in India and was already in force at the time of the passing of the Sea Customs Act of 1878. The letter further stated that appraisers were employed for the purpose of obtaining a correct assessment of goods liable to duty and that rewards were granted at the discretion of the Chief Customs Officer. The Government of India did not, therefore, see their way to give up the existing system of rewards which according to them was essential.

to the efficiency of the Customs Administration in India. It was resolved to record this letter.

13. The Machinery Committee :—

A letter was received from the Government of India, Department of Commerce, that a small informal committee was appointed with the following terms of reference :—

(1) To examine the definition of 'Machinery and component parts of machinery' in item 53 of the Import Tariff Schedule.

(2) To report whether in the interests of simplicity and convenience of trade this definition requires revision ;

(3) If necessary to suggest a new definition ; and

(4) To make such other recommendations as may seem germane to the enquiry or necessary to safeguard the Government revenue.

The personnel of the Committee was to consist of four members, *viz.*, the Collector of Customs (Chairman), and one representative each of the Bengal Chamber of Commerce, the Indian Association of Engineers in Calcutta and the Indian Merchants' Chamber and Bureau.

Mr. Manmohandas Ramji, M. L. A., represented the Chamber on this Committee.

14. Printing of Currency Notes in India :—

With regard to the Chamber's suggestion made to the Government of India, Finance Department, that currency notes should be printed in India, a letter was received from the Department stating that it was premature to consider the general question of such printing as the existing contract which was made in 1914, with the Bank of England for the supply of currency notes (other than one rupee currency notes), was not terminable earlier than 30th June 1929. So far as one rupee notes were concerned the agreement was terminable earlier, but in case of such termination Government was liable to meet a reasonable claim on the part of the Bank in respect of loss on their initial outlay, should the agreement terminate before the Bank was able to write off its initial expenses. Subject to the above difficulties

the Government of India stated that they would welcome the manufacture of currency notes in India, if it could be satisfactorily proved that the manufacture of the notes and especially of the paper was both practicable and secure. The Committee in reply requested the Government of India to supply the following information :—

(*a*) A copy of the contract which the Government of India may have made with the Bank of England for the supply of currency notes.

(*b*) The approximate date by which the Bank of England hopes to be able to write off the initial expenses which it may have incurred in connection with the contract for the printing of one rupee notes.

(*c*) The amount of initial expenses that will be required to be wiped off or made good.

To the above enquiries sent by the Committee, the Government of India, Finance Department, replied seriatim as follows :—

(a) the agreement between the Secretary of State and the Bank of England in regard to the supply of currency notes did not take the form of an ordinary contract but was part of a wider agreement covering the arrangements in regard to the India Office balances held by the Bank and to the services to be rendered by the Bank in respect of those balances ;

(b) & (c) It was not so far found to be necessary to go into the question of the amount of the Bank's initial expenditure in connection with the manufacture of one Rupee notes. The matter was one which would naturally have to be examined if and when it was decided to transfer the manufacture to India. The amount of the expenses to be written off would depend *inter alia* on the question whether in the event of transfer any portion or all the machinery etc., was taken over by Government for use in India.

It was also added that steps were being taken to send an officer of the Government of India on deputation to England to study the possibilities of printing currency notes in India.

15. Centralization of the administration of the Customs Department :—

A letter was received from the Government of Bombay, Revenue Department, inviting the Chamber's opinion on this subject. The Committee in reply after a careful consideration of the arguments for and against the proposal as detailed in the Government of India's letter stated that they regretted that they were not satisfied that a strong case was made out for the proposed change and that they would, therefore, recommend that in view of the state of the finances of the country and the urgent need of retrenchment in all possible directions the proposal might be dropped for the present. The Committee also strongly deprecated the idea of closing minor ports to foreign trade as such a step according to them would work as a great hardship to the economic development of the country in the most natural directions.

16. Representation of the Chamber *re* the Budget of the Government of India :—

The Committee sent a representation to the Government of India on the 6th March 1922, giving out their views on the Budget presented by the Honourable the Finance Member to the Legislative Assembly on the 1st March 1922. Full text of the representation has already been published in the press.

17. Levy of a cess on cotton :—

A letter was received from the Government of Bombay, Revenue Department, No, 3671-A, dated the 12th January 1922, enclosing a copy of the letter from the Government of India No. 15661-262 dated the 16th December 1921, on the question of the levy of a cess on cotton. The views of the Committee were mainly asked on the following points :—

(*a*) Whether it was desirable that a cess should be imposed on cotton to meet expenditure connected with the activities of the Committee.

(*b*) If so, whether the cess should be confined to exports or should be extended to all cotton consumed in the mills, as recommended by the Committee;

(*c*) in the event of the Committee favouring the application of the cess to all commercial cotton whether the best method of collection would be at the mills and ports, as suggested by the Committee, or at the baling presses, and whether in either case any difficulty was anticipated in obtaining the consent of the Darbars of Indian States to the collection of the cess from mills located within their territories.

The reply of the Committee emphasised the following points :—

(*a*) That the proposed cess would come out of the price of cotton available to the cultivator if the cess was put on (*a*) all cotton or (*b*) on cotton exported.

(*b*) that the Central Cotton Committee themselves having accepted the broad principle that special expenditure for the benefit of a particular industry should be met by that industry, the cess under question should be levied on cotton consumed in Indian Mills.

(*c*) that the scale on which the Central Cotton Committee proposed to spend on the technical side at the start is neither necessary nor desirable. Rs. 2 lacs to Rs. 2½ lacs per annum were enough for the Committee to start with and to that end cess at the rate of 2 as. per bale on all cotton consumed in Indian mills would cover that amount.

(*d*) that the amount concerning the cess should not be mixed up with the Government of India Budget as in that case the proceeds of the duty were likely to be diverted to carrying on such agricultural work as the Government might be doing at present from the ordinary revenues.

(*e*) that it was obsolutely necessary that as few non-Indian officers as possible should be employed in connection with

the research work and in the case of each employment of a non-Indian officer the full reason for such employment should be recorded.

18. The proposed change in the timings of arrival and departure of the foreign mails :—

A letter was received from the Government, of Bombay, Revenue Department, forwarding copy of the letter from the Government of India, Public Works Department, No. 9231 P. W. dated the 14th November 1921, on the subject of the proposed change in the timings of arrival and departure of the foreign mails. The Committee in reply sent a representation giving out their views on the question. Copy of the representation has already been published in the press.

Afterwards at the instance of a member of the Chamber the Committee wrote to the Government of India, Department of Commerce, that the arrival on Saturday of the mail steamer and the daparture of the same mail on Friday as proposed would result in hardship and inconvenience to importers who would have to pay interest on their drafts for seven days more as they could not naturally retire the drafts by the outgoing mail of the same week.

19. Resignation of the Right Honourable Mr. E. S. Montagu, Secretary of State for India :

The Committee on the 20th March 1922 sent a telegram to the Right Honourable Mr. E. S. Montagu, Secretary of State for India stating the Committee of the Chamber learnt of his resignation with sincere regret. They further expressed their gratitude for his efforts to put India on the way to self-Government and hoped that he would continue to work for India's progress thereto with the same zeal as heretofore.

20. Registration of Trade Unions :

A letter was received from the Government of India, Home Department, enclosing for the opinion of the Chamber copy of a letter No. L-925, dated the 12th September 1921 from the Government of India, Department of Industries regarding legislation for the registration of Trade Unions in India. The Committee in reply observed at the outset that they were in entire agreement with the spirit which

prompted the Government to undertake the legislation. They also expressed a hope that when it was passed into law it would relieve the tension which was at present noticeable between the employers and the employed and would promote a healthier feeling of concord between labour and capital towards the joint amelioration of both.

With regard to the other specific suggestions made by the Government of India in their letter referred to above the committee expressed the following views :

(*a*) That besides giving a definition of Trade Unions the legislation should also provide a list specifically enumerating the aims and objects of Trade Unions.

(*b*) That political activities not being immediately connected with trade unionism, the unions might well be spared from those activities for the present at least, when the political differences were so acute in the country.

(*c*) That the committee had no special views to offer as regards protection of trade unions and trade union funds.

(*d*) That the registration of Trade Unions should be made compulsory as by so doing Government would automatically keep themselves in touch with the birth and growth of trade unions in India.

(*e*) That the Committee agreed with the views expressed by the Government of India that it was unwise at the early stages of the Trade Unions' existence to exempt them unreservedly from civil liabilities for tortious acts.

(*f*) That the Committee agreed with the views of the Government of India that a definite responsibility should be laid on the Unions and their executive Committees for the prevention of the issue of an order authorising picketting in any form by the members of the Unions.

21. The Indian Cotton Duties.

During the course of the oral examination of the representatives of the Chamber on the 1st March, 1922, before the Indian Fiscal Commission, the President of the Commission observed that the

expression used by the Committee of the Chamber in their Memorandum of written evidence to the effect that the tariff policy of this country dictated by vested interests in the United Kingdom stood to the discredit of British rule in India was a very strong expression to use. The Chamber's representatives at that time explained that the expression was used by the Committee after mature and deliberate consideration and was not the result of mere inadvertence. The Committee afterwards substantiated the remarks made by them by sending a representation to the Secretary, the Indian Fiscal Commission, tracing therein the history of the Indian Cotton duties from the year 1850 upwards and proving from its general trend that the tariff policy of the Government of India was dictated by the vested interests of the United Kingdom and was not at all beneficial to Indian interests. A copy of the representation has already been published in the Press.

22. Interview with the Hon. Sir W. M. Hailey, Member-in-Charge, Finance Department, Government of India :—

A meeting of the Committee of the Indian Merchants' Chamber and Bureau was held on the 5th April, 1922, at 12 noon to meet the Hon. Sir W. M. Hailey, Member-in-Charge, Finance Department, Government of India, and to discuss with him certain questions relating to his Department. There were also present with the Hon. Sir Malcolm Hailey the Hon. Mr. Cook, Mr. C. A. Mc Watters, Mr. H. Denning and Mr. Parsons. Proceedings of the interview have already been published in the Press.

23. Interview with the Hon. Mr. C. A. Innes, Member-in-Charge, Department of Commerce, Government of India :—

A meeting of the Committee of the Indian Merchants' Chamber and Bureau was held on the 7th April, 1222, at 12 noon to meet the Hon. Mr. C. A. Innes, Member-in-Charge, Department of Commerce, Government of India. Mr. H. F. Knight, I.C.S., Director of Commercial Intelligence, Bombay, was also present. The proceedings of the interview have already been published in the Press.

24. Protest against the permanent appointment of the Hon. Mr. C. A. Innes as Member-in-Charge of the Commerce Department, Government of India :—

The Committee on the 4th April, 1922, sent a telegram to the Private Secretary to His Excellency the Viceroy stating that they deeply regretted that their previous telegrams dated the 6th and 12th September, 1921, regarding the appointment of an Indian in charge of Commerce Department were disregarded and the Hon. Mr. Innes was permanently appointed. The Committee further stated that they had nothing personally to say against the Hon. Mr. Innes who during his temporary period showed great capacity for work and grasp of problems but at the same time they were of opinion that on principle the portfolio of Commerce and Industry should have been in charge of an Indian as otherwise Indian interests were likely to suffer.

25. Fifty Million Sterling Loan :—

The Committee on learning through Reuter's telegrams that the Secretary of State for India was asking for sanction for £ 50 million loan from the House of Commons for railways and irrigation, sent a telegram to the Private Secretary to His Excellency the Viceroy stating that the raising of loans in the United Kingdom would prejudice India's purchase of stores in the cheapest market. In reply a letter was received from the Government of India, Department of Industries, enclosing for the information of the Chamber a copy of the correspondence passed between the Government of India and the High Commissioner for India on the subject of Puchase of Stores through the Agency of the London Stores Department in which were defined the principles which the High Commissioner was instructed to observe while making purchases of stores for India.

26. A Proposal to establish an exchange by Post of Parcels weighing more than 11 lbs, the present maximum, but not exceeding 20 lbs :—

A letter was received from the Postmaster-General, Bombay Circle, containing the above proposal. The Committee in reply informed the Postmaster-General that before giving their opinion on the provisional conclusions arrived at by the Government of India in

respect of the draft scheme drawn up by the Board of Trade and the British Post Office for the improvemnt, enlargement etc., of the Overseas Parcel Post Service, they would like to have full information on the following two points *viz.*

(1) Reasons which might have led the Government of India to favour the reduction of the proposed parcel weight from the suggested 28 lbs. to 20 lbs., and

(2) reasons to abolish the existing 50 lbs. Parcel Post Service.

The Postmaster-General in reply intimated that he was not in possession of the full information but it was probable that the chief reason for the decision was that the weight of 20 lbs. corresponded to the limit for inland registered parcels. The Committee expressed their approval of the provisional conclusions arrived at by the Government of India but at the same time stated that they did not understand why the Government of India favoured the reduction of the proposed parcel weight from the suggested 28 lbs. to 20 lbs. and also the abolition of the existing 50 lbs. Parcel Post Service.

27. The Excise Committee :—

The Secretary, Excise Committee, in his letter dated 4th March, 1922, enclosed for the information of the Committee the questionnaire drawn by the Excise Committee and requested them to send their replies as early as possible. The Committee were also asked to send their representatives for the purpose of giving oral evidence. Mr. Purshotamdas Thakurdas, C.I.E., M.B.E., M.L.C., the Chairman of the Chamber, represented the Chamber for giving oral evidence. The Committee in their written Memorandum advocated the policy of whole-hearted march towards the goal of prohibition for the following among other reasons admitting at the same time that in doing so two principal difficulties *viz.*, loss of revenue and danger of illicit distillation, would mainly present themselves :—

(*a*) All the different religions of India have placed drink under a ban;

(*b*) There is a consensus of opinion all the world over that the drink habit is pernicious and highly detrimental to the moral and material well-being of Society;

(c) The growing feeling against the drink evil in the country ; and

(d) The beneficial effects of prohibition in other countries, notably in the United States of America.

28. Recommendations of the Deck Passenger Committee :—

A letter was received from the Deputy Secretary to the Government of Bombay, General Department, forwarding copy of a letter from the Government of India, Department of Commerce, No. 6372 dated 4th November 1921, on the subject of recommendations made by the Deck Passenger Committee. The Chamber was asked to send to the Government its views on the points raised by the Government of India and also on the Report of the Deck Passenger Committee generally. In reply the Committee expressed the following views :—

(a) That they generally agree with the Report of the majority and with the recommendations in the dissenting minute of Mr. Kamath on page 63 of the Report of the Deck Passenger Committee so far as the minimum space of 10 feet is concerned ;

(b) That the definition of a short voyage should be that during which the ship performing it should not in ordinary circumstances, be more than 48 hours continually out of port ;

(c) That alleys, gangways, and space near the railings should not be measured as passenger space ;

(d) That the Committee agree with the conclusions of the Government in para 11 of their letter as also with regard to para 14. They cannot agree with para 13 of the letter of the Government re: luggage, as they feel that the suggestions made in that para, if carried out, will put the passengers to a great deal of inconvenience and harrassment.

(e) That a ship carrying 150 passengers should carry a medical man qualified in First Aid if the voyage is short and a qualified medical officer if the voyage is long ;

(*t*) That the steamship companies should be required to issue inclusive tickets *viz.*, land to land tickets, as otherwise under the present circumstances passengers are put to a very great inconvenience and harrassment at the time of embarkation.

29. Treatment of Mahatma Gandhi in Jail :—

The attention of the Committee was drawn to the feeling of serious discontent that prevailed in the country over the arrest and imprisonment of Mahatma Gandhi, especially as regards the treatment accorded to him in jail. The Committee wrote a letter to the Government of Bombay, Home Department, that they would earnestly urge Government not to add to the unpopularity of their existing measures regarding the Mahatma's arrest and imprisonment by any treatment to him different from what would be available in any civilised country of the world to a political prisoner. The Committee also added that the saintly character, the personality and the eminence of the Mahatma in the country entitled him in jail to the most considerate treatment by the Government.

30. Railway Risk-Notes :—

A letter was received from the Government of India, Railway Department, drawing the attention of the Committee to a resolution adopted by the Legislative Assembly on the 9th March, 1922, regarding the appointment of a Committee of officials and non-officials with a majority of Indian non-officials to consider the question of Railway Risk-Notes. The views of the Committee were invited principally upon the following two points :—

(1) Whether the principle of throwing the onus of proof on the consignor in a claim for compensation arising out of the loss of goods entrusted to a Railway Administration for carriage requires modification. (This refers specially to the terms of Risk-Note forms B. and H.)

(2) Whether the words "loss, destruction or deterioration" used in the Risk-Note forms should be altered or added to or defined in such a manner as to secure for the consignor the right to compensation (for the loss of the whole

that an early action was expected with regard to the different representations made by them regarding the constitution of the Bombay Port Trust but that they would, however, welcome a more accurate statement of the period during which such an action might be expected. It was further pointed out that their first representation to the Government in that connection was made in February 1921, and accordingly they would feel obliged if the Government would inform them how much longer they were likely to take before they remedied what must be regarded as nothing less than a piece of injustice to the Chamber and to the Indian commercial community of Bombay. In reply a letter was received stating that the Bill to amend the Bombay Port Trust Act with a view to altering the constitution of the Board of Trustees was under the consideration of the Government.

Your committee are however glad to inform you that as a result of the long and persistent correspondence with the Government of Bombay in the matter, they have been pleased to provide for 5 seats for the Chamber on the Bombay Port Trust. A Bill to that effect is in the committee stage in the Bombay Legislative council and your committee hope it will soon be passed into an act. Your Committee take this opportunity of thanking the Government of Bombay for their recognition of the claims of this Chamber to be adequately represented on the Bombay Port Trust.

33. Legal Practitioners—Removal of sex disqualification of women :—

A letter was received from the Government of Bombay, Home Department, forwarding copy of a resolution of the Government, Home Department, No. 1498, dated 28th March 1922, on the proposal to remove the sex disqualification of women for enrolment as Legal Practitioners. The Committee in reply stated that they had no views to offer on the subject.

34. Commercial Deputation on Retrenchment to His Excellency the Viceroy :—

Mr. Purshottamdas Thakurdas, C.I.E., M.B.E., M.L.C., the Chairman of the Chamber having felt it necessary that the unanimous opinion of the Indian merchants in favour of considerable and im-

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35. Legislation to prohibit the transportation of Cotton :—

A letter was received from the Government of Bombay, Revenue Department, forwarding copy of the Government resolution No. 5358, dated 22nd April, 1922, together with that of the Bill referred to therein. The Committee in reply stated that the measure sought to be introduced being of an enabling nature was not in accordance with para 221-222 of the Indian Cotton Committee's Report. The attention of the Government was invited to the representation sent by the Chamber as early as in the year 1919 regarding the misuse of railway and water-transport facilities, especially in Surat and Broach districts and it was pointed out that the delay on the part of the Government in taking action did irreparable harm to the cotton crops of those districts. The Committee also criticised the *laissez faire* policy of the Government in the matter.

36. Amendment of the Indian Stamp Act, 1899:—

A letter was received from the Government of Bombay, Revenue Department, forwarding copy of Government resolution, No. 4584, dated the 22nd April 1922, on the subject of revision of the rates of stamp duty on documents covered by the Indian Stamp Act II of 1899. The Committee at the outset replied that the taxation in the

Tariff which was roughly 100 per cent. greater than the 1903 Tariff was in operation on all Persian frontiers except the North; on the Northern frontiers the 1903 Tariff was working still. The result might be a handicap to trade from India which was mainly through Persian Gulf or on the other hand, the Indian imports might not compete with those from the north and the new Tariff duties might be passed on to Persian consumers. On the recommendation of the Sub-Committee, the Committee informed the Director of Commercial Intelligence, Bombay, that increase in the Persian Tariff had not affected direct trade with India which was mainly because of the fact that there was no trade in the North as through trade routes were closed. The Committee, however, expressed it as their opinion that as soon as Russia settled down and normal conditions prevailed the higher duties imposed upon goods imported into the Persian ports in the South would militate against the Indian trade.

39. Proposal to discontinue the publication of the Annual volume of Joint Stock Companies and of the Land and River Borne trade of British India published by the Department of Statistics:—

A letter was received from the Director of Commercial Intelligence, Bombay, asking for the opinion of the Chamber regarding the discontinuance of the publication of these volumes. The Committee in reply informed the Director of Commercial Intelligence that they had no objection to the discontinuance of the annual publication relating to the Joint-Stock Companies provided the March issue of the monthly publication contained the interesting summary hitherto published in the Annual Report as an introduction and also the charts accompanying the same. It was further stated that the monthly publication should state clearly the companies which might have ceased to exist so that the commercial community might always have an idea as to what Joint-Stock Companies were actually at work in the country at a particular time of the year. With regard to the other volume, *viz.*, the Land and River Borne Trade of British India, the Committee did not approve of the suggestion of discontinuing its publication as that volume, so far as they were aware, was the only

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36. Amendment of the Indian Stamp Act, 1899:—

A letter was received from the Government of Bombay, Revenue Department, forwarding copy of Government resolution, No. 4584, dated the 22nd April 1922, on the subject of revision of the rates of stamp duty on documents covered by the Indian Stamp Act II of 1899. The Committee at the outset replied that the taxation in the

Tariff which was roughly 100 per cent. greater than the 1903 Tariff was in operation on all Persian frontiers except the North; on the Northern frontiers the 1903 Tariff was working still. The result might be a handicap to trade from India which was mainly through Persian Gulf or on the other hand, the Indian imports might not compete with those from the north and the new Tariff duties might be passed on to Persian consumers. On the recommendation of the Sub-Committee, the Committee informed the Director of Commercial Intelligence, Bombay, that increase in the Persian Tariff had not affected direct trade with India which was mainly because of the fact that there was no trade in the North as through trade routes were closed. The Committee, however, expressed it as their opinion that as soon as Russia settled down and normal conditions prevailed the higher duties imposed upon goods imported into the Persian ports in the South would militate against the Indian trade.

39. Proposal to discontinue the publication of the Annual volume of Joint Stock Companies and of the Land and River Borne trade of British India published by the Department of Statistics:—

A letter was received from the Director of Commercial Intelligence, Bombay, asking for the opinion of the Chamber regarding the discontinuance of the publication of these volumes. The Committee in reply informed the Director of Commercial Intelligence that they had no objection to the discontinuance of the annual publication relating to the Joint-Stock Companies provided the March issue of the monthly publication contained the interesting summary hitherto published in the Annual Report as an introduction and also the charts accompanying the same. It was further stated that the monthly publication should state clearly the companies which might have ceased to exist so that the commercial community might always have an idea as to what Joint-Stock Companies were actually at work in the country at a particular time of the year. With regard to the other volume, *viz.*, the Land and River Borne Trade of British India, the Committee did not approve of the suggestion of discontinuing its publication as that volume, so far as they were aware, was the only

publication of its kind giving information with regard to the interesting problem of inland trade.

40. Lascars' behaviour on Board s. s. "Egypt":—

A telegram was sent to the Hon. Mr. C. A. Innes, Member-in-charge, Commerce and Industries Department, Government of India, regarding the "Egypt" disaster and allegations against Lascars' behaviour. It was pointed out that it was imperative in the interests of the Lascars to appoint a Committee of Enquiry consisting of suitable Indians of recognised standing. In reply a letter was received from the Department of Commerce, Government of India, stating that they had already cabled to the Secretary of State suggesting the appointment of at least one Indian of suitable standing to the Committee of Enquiry into the loss of the "Egypt." It was also stated that the final decision did not lie with the Secretary of State for India but that they had asked him to bring the suggestion to the notice of the Board of Trade for their favourable consideration.

41. Indian Shipping.

In reply to the representation made by the Committee of the Chamber to the Government of India, Department of Commerce, (*vide* the Annual Report of the Chamber for the year 1920-21, page 512) a letter was received from the Department, inviting the attention of the Committee to a resolution which was moved by Sir Sivaswamy Aiyar and adopted by the Legislative Assembly on the 12th January, 1922. It was further stated that in view of the above resolution the Government of India had appointed a committee to examine the questions referred to in it and those questions would include *inter alia* the various suggestions made by the Chamber. With regard to the Committee's suggestion that the Mail contract with the P. & O. Company which was due to determine on the 31st January, 1924, should not be renewed without giving the various commercial Associations and Chambers of Commerce an opportunity of examining its terms, it was pointed out that it was not possible to accept the suggestion as the form of tender for the contract had already been approved by the Government of India and would be shortly issued by the British Post Office.

other sister Chambers of Commerce and Associations that might have been approached were willing to lend financial assistance.

44. Assimilation of the list of articles in the schedule to the Carriers' Act to that contained in the 2nd Schedule of the Railway Act.

The Under Secretary to the Government of Bombay, Revenue Department, forwarded for the views of the Chamber copies of the letter from the Government of India, Commerce Department, No. 1901 dated 11th February, 1922, and its accompaniments on the subject noted above. The Committee in reply stated that they felt for a long time the necessity of enforcing closer responsibility on the carriers such as was enforced in the United Kingdom under the Carrier's Act and Common Law. The Committee expressed their approval of the new schedule drafted by the Government of India but stated that the schedule drawn up by the Government should be sufficiently elastic to permit of any additions to the schedule which might be suggested by the trades from actual experience of the working of the arrangements.

45. Supply of a motor car to the Chairman of the Bombay Port Trust.

The Committee of the Chamber drew the attention of the Government of Bombay to the interpellation by Mr. G. B. Trivedi, M.L.C., in the Bombay Legislative Council and the reply of the Government thereto regarding the supply of a motor car to the Chairman of the Bombay Port Trust. The Committee further enquired what steps Government proposed to take regarding the disposal of the car and the loss if any resulting from the disposal. The Government of Bombay in reply asked the Committee to apply to the Port Trust for any information which they might require on the subject. The Committee in reply again wrote to the Government that they were unable to understand why they were asked to refer to the Port Trust for information when the Government gave the decision in the matter and refused to sanction the purchase of the motor car by the Trustees. It was further pointed out that the case in question was

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hardly a matter on which they could approach the Port Trust and consequently they would feel obliged if the Government of Bombay replied to the enquiries contained in their previous letter. The Government of Bombay in reply drew the attention of the Committee to the fact that a former President of the Chamber was now a nominated member of the Port Trust and under the circumstances Government could not appreciate the difficulty under which the Chamber appeared to labour in obtaining the necessary information. It was further stated that the Committee's original letter was in the nature of a supplementary question to a question put by Mr. G. B. Trivedi, M.L.C., in the Legislative Council. A supplementary question was also put by him on the same lines as the enquiry made by the Chamber and the answer which would be given to him would be at the disposal of the Chamber in the same manner as the former answer was.

46. Malegaon Levy.

The attention of the Committee was drawn to the curious situation that had arisen in Malegaon in connection with the levy ordered by Government on some of the people of that place for recovery of the cost of the additional police that was posted there after the riots in the early part of the year. In this connection the Notification No. 152 published in the Bombay Government Gazette dated 8th June 1922, Part I, stated "the balance of the combined charges after the amount recovered from persons of class first has been deducted shall be recovered on behalf of Momeens—weavers of Malegaon—from both Hindu and Mahomedan shopkeepers of Malegaon dealing in saris and yarn and who shall pay every year upto 31st May, 1923, beginning from 1st July, 1921, at a rate calculated by the District Magistrate, etc." The Committee drew the attention of the Government of Bombay to the above notification especially pointing out the following facts :—

(*a*) that Hindu and Mahomedan shopkeepers are naturally placed in the position of tax-gatherers, a procedure for which, the Committee may venture to say, there is no precedent;

(*b*) that the most objectionable aspect of the order is that shop-

letter No. 1261-F, dated 24th June, 1922. The views of the Chamber were specifically invited upon the following three points:

(1) Should the management of the East Indian Railway and Great Indian Peninsula Railway on the expiry of the present contracts be taken over by the State or entrusted to a Company domiciled in India?

(2) If the latter alternative is preferred, what scheme of management is suggested.

(3) In the event of State management being favoured, would it be possible to associate a Board of Directors with the Agent and if so, should the Board be composed mainly or entirely of businessmen?

The Committee in reply to the above questions sent the following replies:—

(1) The Management of the East Indian and the Great Indian Peninsula Railways should, on the expiry of the present contracts, be taken over by the State. No private capital should be mixed up in any of these railways on any account, and the two railways should be completely State-owned. The management of these railways should not be entrusted to a Company even though domiciled in India.

(2) This needs no reply. My Committee are emphatically against Company-management on the lines indicated in your letter. In fact, my Committee venture to go so far as to say that it is not feasible to suggest any reasonable and businesslike method of Company management for the Indian Railways.

(3) It should, in the opinion of my Committee, be not only possible but feasible to associate a Board of Directors or Trustees with the Agent for the Management of the Railways concerned; and the Board should be composed mainly of businessmen with one or two representatives of the Government of India or the local Government in

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each case. The engagement of experts such as General Manager, Chief Engineers, etc., is a matter of detail; but there is no reason why such experts should be on the Boards of Management.

This representation has already been published in the Press.

48. Public meeting regarding position of Indians in East Africa and the Kenya Colony.

A letter was received from the Imperial Indian Citizenship Association requesting the Committee of the Chamber to join with them and other Associations of Bombay in convening a public meeting of the Citizens of Bombay to discuss the position of Indians in East and South Africa. The Committee of the Chamber accepted the invitation and it was also resolved to bear a proportionate share in the total expenses incurred by the Imperial Indian Citizenship Association in organising the meeting. A public meeting was accordingly held on Wednesday, the 19th July, 1922, under the joint auspices of the Bombay Presidency Association, the Bombay Progressive Association, the British Indian Colonial Merchants' Association and the Indian Merchants' Chamber and Bureau. The proceedings of the public meeting have already appeared in the Press.

49. Notice to Passengers issued by the B. I. S. N. Co., Ltd.

A letter was received from the Indian National Association, Zanzibar, enclosing copy of a notice issued by the B. I. S. N. Co., to passengers. The said notice contained a provision that the Company was not responsible for theft or robbery whether by a person in the employment of the Company or by others, accidents to or by machinery, boiler or steam, accidents by sea or by land, unskilful, improper or careless navigation, etc. With the letter were also enclosed copies of correspondence carried on by the Association with the Government of India. The Committee after a careful consideration of the whole question wrote to the Government of India, Department of Commerce, drawing their attention to the clauses specially objected to by the Indian National Association, Zanzibar, and further pointing out that it was not proper for the Company to contract themselves out of their liability to the extent mentioned in the Notice. The letter also added that the Government of India would be pleased to take immediate

steps to get the offending clauses removed from the notice issued by the Company. In reply a letter was received from the Department of Commerce, Government of India, stating that so far as they were aware the clause objected to appeared in all notices to passengers issued by the Company. It was also stated that the Government of India were not prepared to express any opinion on the question whether the Company were or were not entitled to issue such a notice, the question being one which must be left to the adjudication of the Courts.

50. The teaching of Esperanto in schools in India.

A letter was received from the Educational Department, Government of Bombay, stating that the League of Nations was considering the question of adopting Esperanto as a common International language. The views of the Chamber were asked by the Government regarding the desirability of adopting Esperanto in schools in India. The Committee in reply stated that they were strongly against the introduction of Esperanto in the curriculum of schools in India as the number of subjects to be learnt was already large in this country.

51. Interview with the Hon. Mr C. V. Mehta, Minister for Excise and Forests.

An informal meeting of the Committee of the Chamber was held on 8th July 1922 when some questions relating to his Department were discussed.

52. The late Sir Vithaldas D. Thakersey.

The Committee of the Chamber resolved to send a letter of condolence to the family of the late Sir Vithaldas D. Thakersey who was connected with the Chamber as a member of the Committee since its inception and was the President of the Chamber in the year 1916-17. The office of the Chamber was closed on Saturday, the 12th August 1922 as a mark of respect for Sir Vithaldas.

53. Wireless Communication.

The attention of the Committee was drawn to the decision of the British Cabinet to adopt direct communication between India and the United Kingdom. They accordingly sent a representation to the Revenue and Agriculture Department, Government of India, stating that the scheme of direct communication between India and the United Kingdom drawn by the British Post Office was attempted to

be foisted on India without inquiries being made whether it would meet with the approval of the Government of India and the Indian Legislature. It was also stated that no scheme with regard to the wireless project should ultimately be passed without the approval of the Indian Legislature and that no such scheme simply because it came with imprimatur of the British Post Office or the British Cabinet should be accepted by the Government of India. In conclusion the Committee of the Chamber asked for an assurance from the Government of India that no wireless scheme would be adopted without the Indian Legislature being consulted and without proper investigation being made as to the financial aspects of the question. The matter is yet under correspondence.

54. Construction of Locomotive Engines in India; the proposed organisation of an Indian Stores Department, and the revision of the Stores Purchase Rules.

In reply to the Committee's letter No. T. 1568, dated the 16th December 1921 on this subject (*vide* Annual Report of the Chamber for the year 1920-21, page 567) a letter was received from the Railway Board stating that the whole object of the communique referred to was to encourage the creation and full development of locomotive building industries in the country. Reference was also made to a resolution recently passed in the Legislative Assembly and it was further stated that the Committee appointed under the terms of the said resolution was actually sitting and one of the items for its consideration was how best to promote locomotive construction in India. The Committee enquired as to what were the particular industries which the Government had in mind when including in the terms of reference of the Committee the general question of the establishment of necessary industries for supplying the wants of this country. They also requested the Government of India to let them know the steps, if any which might have been taken to get the evidence of representative commercial bodies, emphasising at the same time that looking to the important nature of the terms of reference of the Railway Industries Committee arrangements must be made for taking evidence of representative commercial bodies and individual industrialists. The Railway Board in reply stated that the terms of reference of the Committee

covered the cases of all industries which produced material required for Indian railways. With regard to the Committee's second question it was stated that the Committee did not think it necessary to call for fresh evidence for the purpose of their enquiry as the opinions of Chambers of Commerce and commercial bodies were already invited by the Government of India through the local Governments on the proposed organisation of an Indian Stores Department and on the revision of the Stores Purchase Rules and as the replies received also included the views of the Indian Merchants' Chamber and Bureau. It was also stated that the Railways Industries Committee were considering representations made by several of the more important manufacturers of railway materials. The Committee enquired as to who were the manufacturers of railway materials who made representations to the Railway Industries Committee and also requested the Government of India to send for the information of the Committee copies of those representations. In reply a letter was received from the Department of Industries, Government of India, stating that no representations were made direct to the Railway Industries Committee by manufacturers of railway materials. The representations referred to by the Railway Board in their letter No. 214-S, dated 10th July, 1922, were those made from time to time to the Government of India by manufacturers and brought to the notice of the Railway Industries Committee by the Government. The Government of India regretted their inability to furnish the Committee with detailed information regarding the source and contents of the said representations.

55. Recruitment of Indian Seamen.

The Government of Bombay, Marine Department, forwarded a copy of a resolution issued by the Government of India, Department of Commerce, No. 2663, dated 25th May, 1922, on the report of Seamen's Recruitment Committee, and requested the Committee to express their views on all the recommendations contained in paragraphs 4 to 15 of the Committee's report. The Committee in reply stated that they were generally in agreement with the resolution issued by the Government of India on the subject of the Seamen's Recruitment Committee. With regard to the principles underlying the appointment of Advisory Committees of representatives of shipowners and seamen, the Com-

mittee accepted the general principle and agreed with the remarks of the President and the 3 members of Lascar Seamen's Committee in urging the necessity of immediate establishment of such Committees both in Bombay and Calcutta. In connection with the personnel of these Committees, the Committee emphasised that if the nomination system was followed the Indian Shipping Companies should be adequately represented on the Board and if the elective principle prevailed the Indian Merchants' Chamber should, as representative of Indian firms, be asked to send a representative on the said Committee. In order that the proposed Committee might not meet the fate of all so-called advisory committees attached to various departments of the Government, the Committee suggested the following safeguards :—

(*a*) that frequent meetings of the Committee should be held to help the Government Officers in the due discharge of their duties ;

(*b*) should any important business be transacted by Directors of the bureau during the period that the Advisory Committee is not meeting, that body should be informed by a circular so that the members might be kept in touch with every important matter that came before the bureau for consideration.

With regard to the observation made in the report concerning Bureau Registers that " there should be complete liberty to shipowners, seamen, their representatives or their organisations to supply seamen to the bureau," the Committee remarked that in so far as it referred to the seamen and their representatives or organisations they had nothing to say against the system but in so far as the shipowners and their representatives or organisations were entitled to send seamen for enrolment by the Bureau, the Committee feared that that part of the system would lead to abuses as grave as it was now intended to remove.

56. Donation of £ 67-10-8d. from the Association Sociale et Commerciale Hindoue, (The Indian Social and Commercial Association) Paris for the relief of the bereaved families of the Lascars perished on s. s. " Egypt."

A letter was received from the Secretary of the above Association enclosing a cheque for £ 67-10-8d. for the benefit of families of the

victims of s. s. "Egypt." The Committee of the Chamber thankfully acknowledged the help received from the Association and forwarded the amount to the Peninsular and Oriental Steam Navigation Company for equitable distribution amongst the families of the perished Lascars. A letter was received from the P. & O. Company stating that the sum which worked out at Rs. 20-8 per head would be equally divided among the dependents of the fifty members of the native crew of the s. s. "Egypt" who lost their lives in the disaster.

57. Amendment of the Land Acquisition Act.

The attention of the Committee was drawn to the Bill further to amend the Land Acquisition Act introduced by Mr. J. Ramayya in the Legislative Assembly on 31st January, 1922. The Committee at the outset entered their emphatic protest that while other Local Governments thought it desirable to consult various representative commercial bodies situated in their respective provinces the Government of Bombay for reasons best known to themselves did not think it necessary to consult this Chamber in the matter. The Committee after a careful consideration of the Bill sent a representation to the Government of India, Department of Revenue and Agriculture, wherein the following main points were emphasised:—

(1) The words "public interests" should be defined more clearly or at least be illustrated by an example for guidance.

(2) The Land Acquisition Act should be so amended as to provide that in cases of acquisition of land not only for industrial purposes but also for the so-called public purposes the enquiry should be held as at present under Section 40 of the Act and that the report of the officer making the enquiries and the draft agreement as provided for under Section 41 of the Act should be laid on the table of the Legislative Council for a prescribed period before the agreement is executed.

(3) Acquisition of land for purposes of the Government (excepting for Railways and Military works) as also acquisitions for industrial purposes should both be subject to the same

procedure in order to obviate any injustice or unfairness with regard to the acquisition procedure.

(4) If the Legislature decides in favour of acquisition of a particular plot the party whose land is thus intended to be acquired should still have open to him the recourse of appealing to the highest judicial Tribunal in the matter of compensations, etc., which may be the work of the Executive.

58. Suggested amendment of the Merchandise Marks Act regarding the marking of goods made in the United Kingdom with the country of origin:—

The attention of the Committee was drawn by a member of the Chamber to a sample of Dhotie having all the marks stamped on it in Gujarati and having nothing therein to distinguish it from Dhoties made in local mills. The Committee of the Chamber wrote a letter to the Collector of Customs, Bombay, drawing his attention to Note 3 to Section 33 of Merchandise Marks Act and enquired whether the importation under such a deceptive ticket as per sample Dhotie in question did not constitute a violation of the provisions of the Merchandise Marks Act. In reply a letter was received from the Collector of Customs, Bombay, that the goods marked as per sample Dhotie forwarded by the Committee did infringe the provisions of the Merchandise Marks Act and that the consignment was duly noticed by his Department in March last but the goods were allowed to be cleared with a warning as they were represented to be imported for the first time and the importer undertook to take immediate steps to remedy the defect in future orders. In this connection the Committee also wrote a letter to the Government of India requesting them to be pleased to amend the Merchandise Marks Act to the effect that all the goods made in the United Kingdom should have a stamp showing their country of origin as such a requirement would make it difficult for frauds to be committed upon the public with regard to British goods. In reply a letter was received from the Government of India, Department of Commerce, stating that the marking of the country of origin on imported goods was not

generally compulsory under the Merchandise Marks Act; that it was only compulsory when the trade marks or other marks on the goods would raise a supposition that such goods were the products of some country other than that in which they were really made. Under the circumstances the Government of India regretted that they could not consider the amendment of the law operative only towards goods made in one particular country which would be the effect of the Committee's suggestion. After a careful consideration of this letter the Committee resolved to ask their Solicitors to draft an amending Bill to the effect that all foreign goods made in any country whatever should have a mark showing the country of origin so as to distinguish them from the indigenous goods and to have that Bill introduced in the next session of the Indian Legislative Assembly through their representative, Mr. Manmohandas Ramjee, M. L. A. The draft of the amending bill has been received from the solicitors and is under the consideration of the committee.

59. Amendment of Section 2 (8) of the Indian Factories Act.

A letter was received from the Government of Bombay, General Department, forwarding for the opinion of the Committee a copy of the Government resolution No. 362 dated 2nd August, 1922 regarding the proposed amendment of Section 2 (8) of the Indian Factories Act. The Committee approved of the proposed amendment.

60. Proposal to reduce first Class fares on M. & S. M. Rly. for representatives of firms travelling on Business:—

A letter was received from the General Traffic Manager, the Madras and Southern Maharatta Railway Company, Limited, informing the Committee that he had under consideration the introduction for the journeys over the M. & S. M. Railway, system of a reduced first class fare to a representative of a firm travelling on the business of that firm and inviting the opinion of the Chamber whether the proposal would be of benefit to business firms. In reply the Committee stated that the proposal suggested would be of benefit to business firms but, that, they were of opinion that it would not be taken much advantage of by Indian business firms unless the

concession proposed extended to journeys by second class also. In reply a letter was received from the M. & S. M. Railway Company stating that the arrangement proposed was intended for first class fares only and that it was not possible to extend the concession to second class as well. The Committee also wrote to the General Traffic Managers, B. B. & C. I. and the G. I. P. Railways, drawing their attention to the communication from the General Traffic Manager, M. & S. M. Railway Company and requesting them to introduce similar concessions over their respective railways in case of business-men travelling by first and second classes. The B. B. & C. I. Railway Company replied that it was not proposed to adopt the system of booking introduced over the M. &. S. M. Railway. The G. I. P. Railway Co. mentioned in their letter to the M. & S. M. Railway a copy of which was sent to the Committee for their information that previous to the year 1917 they used to issue first and second class coupon tickets for journeys between Poona and Bombay and Bombay and Deolali and that the re-introduction of these coupon tickets was now under consideration and further that until the question was finally decided they could not agree to coupon tickets issued by the M. & S. M. Railway being made available for use on the G. I. P. Railway. In view of the diversity of systems obtaining on all these railways with regard to concessions to commercial travellers, the Committee sent a representation to the Government of India, Railway Board, urging upon them the necessity for introducing uniformity of procedure on all the Indian Railways with regard to such questions and requesting them to take up the question with the different railway companies in India.

61. Recommendations of the Life Saving Appliances Committee's Report involving structural change in ships :—

A letter was received from the Government of Bombay, General Department, forwarding a copy of a letter from the Government of India, Department of Commerce, No. 3659, dated 15th July 1922 on the above subject and inviting the views of the Committee of the Chamber thereon. The Committee in reply stated that they had no views to offer on the subject.

62. Revision of Parts 2 and 3 of the International Sanitary Convention of 1912 :—

The Government of Bombay, General Department, in their letter No. 1701-D, dated 23rd August 1922 asked the views of the Committee of the Chamber on the subject noted above. The Committee in reply stated that they had no views to offer on the subject.

63. Difficulties experienced by the Alembic Chemical Works Company of Baroda in the matter of the exports of spirits and spirituous preparations from their factory at Baroda to British India :—

In this connection a letter was received from the Government of Bombay, Revenue Department, stating that arrangements were made under which the Company would no longer suffer from the difficulties complained of by the Committee of the Chamber in their correspondence ending with their letter No. T. 1439, dated 16th August 1920. A copy of the Government of Bombay's letter being sent to the above Company, a letter was received from the Company expressing their satisfaction for the relief which the Government of Bombay were pleased to grant to the Company.

64. Precautions against fire and distress signals on board Native Passenger ships :—

The Government of Bombay, General Department, in their letter No. 1849-C, dated 7th July 1922, requested the Committee of the Chamber to forward their views on this subject. The Committee in reply sent their views as follows :

(*a*) the suggestion made by the Government of India in para 8 of their letter No. 7480, dated 3rd January 1922 regarding the enhancement of fares could only be regarded as an invitation to increase the passenger fares which were already too high ;

(*b*). With reference to the draft rules regarding precaution against fire and distress signals on board the Native

passenger ships", paras 3 and 18, the Committee of the Chamber were of opinion that instructions to use the fire extinguisher should in addition to being put up in English be also printed in vernaculars.

65. Dumping of Iron Goods:—

Messers. Tata & Sons, forwarded for the information of the Committee a copy of the speech delivered by Sir Dorab Tata as Chairman at the Annual General Meeting of the Shareholders of the Tata Iron and Steel Company, Limited, held on Thursday, the 24th September 1922. The attention of the Committee was specially invited to the present fiscal policy of the Government which permitted the dumping of iron and steel materials in this country and the unfair competition resulting therefrom. The Committee were also requested to send a representation to the Government in the matter. The Committee accordingly sent a representation to the Secretary to the Government of India, Commerce Department, stating that it was more than a year since the Government of India decided to investigate the question of tariff revision and that in the opinion of the Committee that decision had already been delayed longer than was either safe or desirable. In proof of this statement the Committee referred to the Legislation passed in Great Britain for the safeguarding of Key Industries and the heavy import duty placed upon steel by the Government of Australia and the system of bounties lately introduced by the Government of South Africa for iron and steel manufactures. The Committee pointed out that while steps were taken in all these countries as indicated above it was a matter of great regret that nothing had been done in that direction in this country as a result of which Indian steel industry which was started successfully here by Indian enterprise and capital in the face of many discouragements was now in grave danger owing to unfair competition. The Committee also drew the attention of the Government of India to paragraph 139 of the report of the Indian Fiscal Commission wherein was recommended a sort of duty over and above the import duty in respect of those articles in which the Government were satisfied that dumping was being carried on. The Committee in conclusion request-

ed the Government of India that they would be pleased to examine the question most carefully without permitting an essential key industry to be endangered further by any delay in the application of such recommendations as were made by the Indian Fiscal Commission. The matter is yet under correspondence.

66. Revision of the List of articles specified in the Foreign Sea-borne Trade of British India :—

A letter was received from the Director General of Commercial Intelligence, Calcutta, stating that the question of additions to or alterations in the list of articles separately specified in the Foreign Sea-borne Trade Returns was under consideration in his department and that the Committee of the Chamber might forward any proposals or modifications which they might wish to make in the list now in use. In reply the following suggestions were made:—

(1) There should be three sub-divisions *viz.*, (*a*) diamonds, (*b*) pearls and (*c*) precious stones under the heading "Diamonds and Pearls."

(2) As under the present returns the list of articles in which manufactured rubber is the principal constituent is not sufficiently exhaustive it is not possible to get exact figures of all the varieties of rubber goods imported into the country. Accurate figures should therefore be given under different heads so that it might be of use to manufacturers in this country as also to those who desired to trade in rubber goods.

67. Import duties levied by the Government of East Africa on unbleached cotton piecegoods :—

A telegram was received from the Mombasa Indian Merchants' Chamber drawing the attention of the Committee to the new Tariff adopted by the Government of East Africa under which unbleached piecegoods were charged an import duty of 4-5/16d. per lb. while the duty on bleached piecegoods remained unchanged at 20 per cent. *Ad valorem*. The Committee sent a representation to the Government

of India, Commerce Department, stating that as nearly 70 per cent. of the total imports of unbleached piecegoods into East Africa went from India the new duty would place Indian unbleached piecegoods to a great disadvantage. It was further stated that as the new duty had become a *fait accompli* the Government of India would be pleased to approach the Rt. Hon. the Secretary of State for the Colonies requesting him to exercise his powers to disallow the Custom Tariff Ordinance of 1922 under which the new duty came into force. In reply a letter was received from the Government of India, Department of Commerce, stating that the India Office had already been asked to place the matter before His Majesty's Secretary of State for the Colonies. It was further stated that the Government of the Kenya Colony had also been addressed on the subject both by the Government of India and the Indian Trade Commissioner in East Africa.

68. Report of the Indian Fiscal Commission :—

On the motion of two members of the Committee, a Sub-Committee was appointed to consider carefully the recommendations made in the report of the Indian Fiscal Commission with a view to placing before the Government of India the considered views of the Chamber on the subject.

On the recommendation of the Sub-Committee, the committee resolved to request Mr. Manmohandas Ramjee, the Chamber's representative on the Indian Legislative Assembly to move the following resolution :—

> "That this Assembly recommends to the Governor-General in Council to be pleased to take immediate action to give effect to the recommendations of the Indian Fiscal Commission subject to modifications as recommended in the minute of dissent and also to provide, in framing the constitution of the Tariff Board, for the majority of members including the Chairman being Indians."

Notice of the above resolution has already been sent to the Secretary, Indian Legislative Assembly, Delhi, by Mr. Manmohandas Ramjee, M.L.A.

69. Rate of exchange for past due bills drawn in foreign currency :—

A letter was received from the Government of India, Finance Department, No. 2095-F, dated 30th September 1922, forwarding for the opinion of the Committee a copy of a letter from the Associated Chambers of Commerce of India and Ceylon regarding the above subject. The matter originated out of the Bombay High Court's decision in the case of Messrs. Muller McLean & Co., against Messrs. Kaderbhoy Mulla Ismailji in which case it was held that past due bills drawn in foreign currencies were payable at the rate of exchange ruling on the date of maturity of the Bill and not at the rate ruling on the date of judgment or payment. The legal position being as stated by the learned Judge in the case referred to above the Associated Chambers of Commerce of India and Ceylon thought it necessary that steps should be taken to meet the case by adopting remedial legislation, and accordingly sent a representation to the Government of India stating that legislation should be undertaken at a very early date and as a model suggested that the legislation in question should follow the lines of the Hongkong Bill of Exchange Ordinance, 1921, which read as follows :

> "Where a bill is drawn out of but payable in this Colony, and the sum payable is not expressed in the currency of this Colony, the amount of the Bill if paid in this Colony and in the currency of this Colony, shall, in the absence of any express stipulation, be calculated according to the rate of exchange for sight drafts in this Colony on the day on which the Bill is actually paid."

The Committee in reply sent a letter to the Government of India, Finance Department, stating that for all over-due bills the rate of exchange should be the rate ruling on the date of maturity of the Bill and that there was no necessity for any change in the

procedure followed up to this time and recognised by the Bombay High Court. It was further stated that where a Bill was drawn out of but payable in this country and the sum payable was not expressed in the currency of this country the amount of the Bill if paid here may be paid either in the local currency or by a demand draft of an approved Bank in the same currency in which the Bill was drawn and should in the absence of any express stipulation be calculated in the case of payment in the currency of this country according to the rate of exchange for sight drafts in this country on the day on which the Bill fell due.

70. Purchase of locks and safes from Messrs. Godrej & Boyce Manufacturing Co :—

The attention of the Committee was drawn to the reply given by the Government of Bombay to a few questions by Mr. G. B. Trivedi, M.L.C., in the Bombay Legislative Council regarding orders for safes to Messrs. Godrej & Boyce. With a view to know exactly what the policy of the Government of Bombay was with regard to industrialists and commercial men working in politics, the Committee sent a representation to the Government of Bombay, Home Department, stating that they would feel obliged if they would be favoured with an explicit expression of the views of H. E. the Governor-in-Council on such an important question. In reply a letter was received from the Chief Secretary to the Government of Bombay enclosing for the information of the Committee a copy of the reply given by the Hon. Mr. Lawrence in the Legislative Council on 31st July 1922. This reply among other things stated that "the danger of entrusting the confidential records of the State to safes and boxes manufactured by persons hostile to the State was obvious and in May last Government issued an order prohibiting all dealings with the firm as in matters of such a nature it was obvious that the primary consideration of the Government must be the safe custody of valuable public records." With regard to the general question of policy it was stated that there was no change in the general policy of Government towards industrialists and commercial men working in politics. In reply the Committee sent another representation to

the Government of Bombay putting forward the following facts for their consideration :—

(*a*) that the contention of the Government in their brief reply that " there has been no change in the general policy of the Government towards industrialists and commercial men working in politics " was hardly borne out by the facts of the case in question and that a general statement of the kind made, vague as it was, was no explanation of, nor a reply to, the question raised by the Committee :

(*b*) that the judgment as to whether a person is "hostile to the State" should not lie with the executive but with the judiciary because if the executive were to arrogate to themselves the power of declaring whether a person was or was not hostile to the State, the liberty of the citizen, let alone the fortunes of his business, would be gravely jeopardised ;

(*c*) that the principle sought to be introduced by the Government necessitated a definition of what constituted "hostility to the State" ;

(*d*) that if the political opinions of a person by themselves were sufficient for the executive to declare him as "hostile to the State" even though no overt act of hostility was proved, then it would mean an end of all constitutional freedom and of the liberty of thought, let alone that of speech or action ;

(*e*) that the Committee approached the Government again on the question not so much because of the action taken by them in the particular instance as because of the serious principle involved in it.

In reply a letter was received from the Government of Bombay stating that they did not consider that the action taken by them in

regard to safes and locks manufactured by Messrs. Godrej & Boyce raised the wide issue comprehended by the Committee, as the action was dictated by the obvious necessity of providing for the safe custody of valuable public records. It was resolved to request Mr. G. B. Trivedi M. L. C. if it was possible for him to move a resolution in the matter in the ensuing Sessions of the Bombay Legislative Council. In reply he has informed the Committee that he shall be glad to comply with their request.

71. Retrenchment Committee :—

The Committee of the Chamber sent a representation to the Secretary, Retrenchment Committee, Simla, giving their views on the retrenchment problem and suggesting means whereby retrenchment could be effected in the different Departments of the Government of India. A copy of the representation has already been published in the Press.

72. District Cotton Markets Bill :—

A letter was received from the Government of Bombay, Revenue Department, enclosing for the information of the Committee a copy of the Bill prepared by the Director of Agriculture, Bombay, regarding the establishment of cotton markets on the Berar system and requesting the Committee to send their remarks thereon at an early date. The Committee in reply generally approved of the main principles underlying the said Bill but made the following observations regarding some of its important sections.

Section 2 :—The words "cotton seed" in this section should be deleted as it would be neither feasible nor advisable to insist that cotton seeds should be brought to the markets in order to be sold.

Section 3 (1) :—The words "with the prior approval of the Bombay Legislative Council" should be deleted as according to the Committee it would not be found feasible to consult the legislature every time that a

place was approved by Government as fit to be declared a market for sale of cotton.

Section 4 (1) (a) :—The appointment of the Markets' Committee under this section should be by nomination by Government in the beginning and for the following year or two but that afterwards the Committee should be elected by the buyers and sellers in every market centre.

Section 4 (1) (c) :—The Committee are definitely of opinion that licenses should be issued to brokers, weighmen and measurers only. Commission Agents and buyers and sellers need not take licenses but they may be asked to become members of the market centre and the fees for such memberships may be kept at a figure of Rs. 5/- or 10/- per year or if necessary, at a nominal figure of Re. 1 per year.

Section 4 (1) (h) :—The Committee are of opinion that the disposal of surplus funds in the hands of the Markets' Committee should be in specified directions and to that end they suggest that after payment of a certain percentage to the Municipality in whose limits a market may be situated the balance should go firstly towards the repairs and upkeep of roads leading to a market and secondly, for the maintenance of veterinary hospitals for the benefit of cultivators whose bullocks bring their produce to the market centre.

Section (2) :—The words "shall require the prior approval of the Bombay Legislative Council" should be deleted. As the Committee do not think that uniform rules for all the parts of the Presidency would be feasible they are of opinion that once the Legislative Council approves the principle underlying the Bill they should leave the question of framing the rules suitable to each centre to the Minister-in-charge of the Department.

Section 9 (2) :—This section should altogether be omitted as it is a matter of detail which is at present done in the districts without the help of any legislation and will be found to be covered by the powers given to the Markets' Committee to frame rules for the purpose of good administration and control of the markets.

73. Renewal of the Eastern Mail service contract with the Peninsular and Oriental Steam Navigation Co:—

In continuation of their previous correspondence on the subject the Committee on the 7th October 1922 sent a telegram to the Government of India, Department of Commerce, suggesting that no commitments should be made with the Peninsular & Oriental Steam Navigation Company in respect of the renewal of Mail contract without the approval of the Indian Legislative Assembly. In reply a letter was received from the Government of India, Public Works Department, stating that the Mail contract with the P. & O. Company was extended by the British General Post Office up to 31st January 1925; that forms of tender for the new contract had not been issued; that the British General Post Office had undertaken to give the Indian Government an opportunity of expressing their opinion on the tenders when received but that the contract would probably cover the conveyance of mails to several other countries besides India and would be granted by the General Post Office on behalf of the various postal administrations concerned. It was added that the Government would, as usual, in due course avail themselves of the advice and assistance of individual members of the Legislature in forming their opinion with regard to the course to be taken in granting the new contract. This letter is yet under the consideration of the Committee.

74. Allegations made by the Chairman, the Scindia Steam Navigation Company at the Annual General Meeting of the Company against the Government of India in the matter of Indian Shipping :—

The Committee in their telegram dated 2nd November, 1922, to the Government of India, Department of Commerce, regarding the

P. & O. Mail contract incidentally drew the attention of the Government of India to the speech on the 31st October by the Chairman, the Scindia Steam Navigation Company and requested the Government to reply to the specific complaints made therein. In reply a letter was received from the Department of Commerce, Government of India wherein without in any way commenting on the Chairman's speech for reasons, which they stated, would be obvious to the Committee the Government of India confined themselves to a bare recital of facts, as follows:—

Complaint that the Scindia Steam Navigation Company was not given an opportunity to tender for the carriage of two lakhs of tons of coal from Calcutta to Rangoon:—

The contract referred to was a contract for coal required by the Burma Railways and was negotiated for the Board of Directors by the Mining Engineer to the Railway Board. In September 1921 the Mining Engineer was asked by the Railway Board to see, in the event of the contract not having been fixed up that the Scindia Steam Navigation Company was given an opportunity to tender. At that time negotiations had been in progress for a long term freight contract with the British India Steam Navigation Company. A hitch however had occured and it looked as if the Railway Company would have to come into the open market, in which case the Scindia Steam Navigation Company and other Steamship Companies would have had an opportunity to submit tenders. But the difficulty was overcome and the Board of Directors accepted the terms arranged by the Mining Engineer with the British India Steam Navigation Company.

Complaint that the Government of India refused to interfere with a Local Government which had fixed up a contract for freight without giving the Scindia Steam Navigation Company an opportunity to tender:

The statement made by chairman of the Company is perfectly correct. The Government of India did refuse to interfere and they fear that they must continue to do so. They cannot properly issue orders to a Local Government in a matter of this kind.

Delay in appointment of Committee to enquire into building up of a mercantile marine:-

The resolution was passed in the Legislative Assembly in January last when it was too late to make any alterations in the Commerce Department Budget. Consequently the appointment of the Committee had to be deferred until (a) the expenditure involved had been agreed to by the Standing Finance Committee and (b) a supplementary grant had been obtained from the Assembly. Proposals for the expenditure were placed before the standing Finance Committee and the Assembly in September last and since then the question of the composition of the Committee has been under consideration. It has not been possible to make an announcement owing largely to a delay of five weeks in obtaining an answer to a cable sent to the Secretary of State asking whether a certain gentleman was prepared to serve on the Committee. A copy of the above reply of the Government of India being sent to the Secretary, Scindia Steam Navigation Company for his information, he in his letter dated 23rd December 1922 enclosed for the information of the Committee a copy of the reply sent by him to the Government of India. The Committee in their reply to the Government of India referred to the reply sent by the Scindia Steam Navigation Company direct and further requested the Government of India to be pleased to send them a copy of the contract made with the B. I. S. N. Co. by the Burma Railways for the carriage of coal as also a copy of the contract made by the Burma Railways with the same Company previous to the existing contract. The matter it yet under correspondence.

75. Interview with Director General of Commercial Intelligence, India, Calcutta:-

The Committee of the Chamber had an interview with the Director General of Commercial Intelligence, India, on the 6th November 1922 for the purpose of discussing with him the provisional tariff valuation rates as fixed at the conference of appraisers held at Calcutta on the 20th and 21st October 1922. Mr. C. R. Watkins, the Collector of Customs, Bombay, was also present.

76. Late Sir Willam Meyer, High Commissioner for India :—

On the sad death of Sir William Meyer, the Committee sent a telegram to the Government of India, Commerce Department, regretting the sad and sudden death of Sir William and suggesting for the earnest consideration of the Government that his successor as High Commissioner should be an Indian only as it was imperative that the representative of the Government of India in London should be only an Indian.

77. Purchase of Timber by the Development Department :—

The attention of the Committee was drawn to the correspondence which appeared in the "Bombay Chronicle" dated 13th and 14th October 1922 regarding the purchase of timber for the Development Department. It appeared from the correspondence that orders for Oregon Pine were placed in Canada although timber of a better quality was available in this country. The Committee sent a representation to the Government of Bombay, Development Department, inviting their attention to the above correspondence and stating that it was really an anomaly that while efforts were being made in London to popularise Indian timbers, orders from India should have gone to a distant place like Canada. The Committee also requested the Government to issue a statement giving out the exact quantity and value of orders placed in Canada and the reasons for which those orders were placed outside India. Another representation was also sent to the Government of India, Revenue & Agriculture Department, inviting their attention to the above facts and further referring to the exact bearing on the question from the "Indian Forester" for November, 1922, a Journal of the Indian Forest Service. The Committee also requested the Government of India to issue a detailed statement giving the quantities and value of orders placed in foreign countries for timber by the different Railways and Departments of the Government of India. They also requested the Government for an assurance that in future efforts would be made by them not only to develop but also to utilise the forest resources of this country. The matter is yet under correspondence.

78. Exemption from the payment of Excise Duty of petrol exported to foreign countries :—

The attention of the Committee of the Chamber was drawn to the existing situation with regard to the export of petrol from Burma whereby duty was levied on all petrol produced or manufactured in India and Burma at six annas a gallon but no tax was levied on the export of petrol from Burma to foreign countries. A representation was sent to the Government of India, Commerce Department, stating that the oil companies themselves declared the value of petrol they exported from Burma at merely one and a half anna a gallon, while the value of the same petrol when it was imported from Burma into India was declared by the same oil companies at Re. 1-10 a gallon. As this disparity between the rates of petrol for home consumption and for export worked prejudicially to the interests of motor transport in this country the Committee urged that no exemption from excise duty should be given to petrol at the time of export from Burma to foreign countries or in the alternative if such an exemption was granted there should be levied an export duty. The matter is yet under correspondence.

79. Amendment of Section 68 of the Indian Income-tax Act, 1922:—

The Secretary, Ahmedabad Millowners' Association in his letter dated 11th November 1922 put forward for the consideration of the Committee a proposal to amend Section 68 of the Indian Income-tax Act, 1922. The section repealed the previous Acts subject to a proviso "that the provision of Section 19 of the Act of 1918 shall apply so far as may be to all assessments made under that Act in the year ending on 31st March 1922" The Association contended that as the year 1922 was not expected to be so prosperous to businessmen as was the past year, 1921, and as the profits of commercial firms and industrial companies were likely to go down appreciably as a consequence, it would be desirable if an amendment of Section 68 of the said Act were proposed so as to extend the adjustment period upto March 1923. The Committee in reply

informed the Secretary of the Association that in view of their previous correspondence with the Government on the subject they regretted that they could not re-open the question referred to.

80. Election of the Chamber's representative on the Bombay Municipal Corporation :—

A letter was received from the Municipal Commissioner for the City of Bombay informing the Committee that the general elections of councillors under the City of Bombay Municipal Act of 1888 as amended by the Bombay Act VI of 1922 would commence in the month of January 1923 and that under Section 22 of the said Act he had to fix the dates for the several elections. For the election of the Chamber's representative on the Corporation, Thursday, the 8th February 1923 was proposed as a convenient date. The Committee informed the Municipal Commissioner that the date proposed would suit them for the purpose of election of their representative on the Corporation.

81. Proposal for holding a financial conference in Bombay :—

At the instance of one of the members of the Committee the Committee of the Chamber sent a circular letter to all the Indian Chambers of Commerce, Bankers, and other financial experts requesting them to send for the consideration of the Committee their views on the question of the reform of currency and finance in this country. Their opinion was particularly sought on the question of the advisability or otherwise of holding a financial conference of experts and other interested in currency and finance with a view to formulating definite demands from the Government on this question. The matter is yet under correspondence.

82. Revised system of coal wagons distribution :—

The attention of the Committee was drawn to the notification issued by the Coal Transportation Officer with regard to the discontinuance of the system of "X" class supplies from the 5th November 1922 and the introduction of a new system of supplies as

a temporary experiment for a period of three months. As the new arrangement was likely to affect the interests of small consumers and as the working of the system was not in some other respects satisfactory, the Committee of the Chamber sent a representation to the Coal Transportation Officer, Railway Board, that he would be pleased not to renew the experiment of the new system without consulting public commercial bodies.

83. Purchase of coal for Railways :—

At the time of the interview which the committee had with the Honourable Mr. C. A. Innes, Member-in-Charge, Department of Commerce, Government of India the question of purchase of coal for railways was considered and in that connection one of the members present drew the attention of the Honourable Member to the following facts:—

(*a*) that there was a heavy increase in the prices of coal sanctioned since the War by the authorities buying on behalf of the railways which increase resulted in inordinate profits to the collieries concerned;

(*b*) that the bulk of the coal was bought from European mining agents.

The committee afterwards drew the attention of the secretary to the Government of India, Railway Department, to the above points requesting the Government to enquire into the matter and let them know the reasons which might be responsible for such a big advance in coal prices. A letter was received from the Government of India, Railway Department, informing the Committee that the bulk of the coal purchased by the Mining Engineer to the Railway Board was necessarily first class coal and that it was that consideration which mainly governed the question of prices and the placing of contracts. The letter admitted that most of the contracts were placed with European mining agents for those agents produced the bulk of the coal of the required class. With regard to the increase in the cost of coal for railways the Government of India said that the Committee were under a misapprehension which must be removed. It was true that the contracts were actually placed by the

late Mining Engineer to the Railway Board but they were placed only after they had been examined and approved by the Railway Board and by the Agents of the different railways concerned at a conference specially convened for the purpose. The increased cost was certainly inconvenient from the railway point of view but in view of the coal position in India with the main features of which the Committee were no doubt familiar, the Government of India believed it to have been inevitable. The letter further added that the increase was not peculiar to the railways but was common to all industries in India.

84. Railway earnings for military traffic :

At the time of the interview with the Honourable Mr. C. A. Innes, Member in-Charge, Department of Commerce and Industries, Government of India, above referred to, one of the members of the Committee asked a question to the Hon. Member as to what would have been probable increase in the railway earnings during the years 1920-21 and 1921-22 if all the military traffic (whether passenger or goods) was carried at the usual public rates instead of at the special concession rates. As at that time the Hon. Member was not prepared with the figures he informed the Committee that the same might be obtained from the Railway Board. The Railway Board being consequently approached a letter was received enclosing a statement showing the various classes of military traffic on the three railways on which that traffic was heaviest, viz., The East Indian, the Great Indian Peninsula and North Western Railways. With the letter was also enclosed a second statement furnished by the N. W. Railway which showed the percentage by which the earnings on each class of traffic would have been increased had military traffic been charged at ordinary rates. It was also added that the military traffic of the year 1920-21 for which the statements were prepared was abnormal. In reply the Committee thanked the Government of India for the information sent to them but at the same time regretted that it did not clearly state the information sought by the Committee. The Committee also urged that in order to give a true perspective to the military expenditure all State-owned and State-managed railways should charge ordinary rates for military traffic.

§ 5. General Meetings of the Chamber held during the year :

i. Quarterly General Meetings of the Chamber: In accordance with Rule No. 9 of the Rules and Regulations of the Chamber the Quarterly General Meetings of the Chamber were held on 20th May, 19th August and 27th October 1922, to adopt the report of the proceedings of the Committees held during each successive quarter.

ii. Extraordinary General Meeting of the Chamber ;

An extraordinary general meeting of the Chamber was held on Saturday the 16th December 1922 at 3 p. m. (S. T.) to consider among other matters the following resolution from Mr. Mansukhbhai Oghadbhai, a member of the Chamber. Mr. Devidas Madhavji Thakersey, the Vice-President of the Chamber was in the chair.

"That in view of the unjust and inhuman treatment meted out to Indians in the Crown and Self-governing Colonies of the British Empire this Chamber resolves that none of its members should

(*a*) effect insurance with Companies registered in the Colonies ;

(*b*) place funds at the disposal of banks registered in such Colonies ;

(*c*) employ as servants, agents or otherwise any non-Indian born in such colonies ;

"That any member of the Chamber disregarding the terms of this resolution should forthwith be expelled from the membership of this Chamber and that all other Chambers and Associations which are affiliated to this Chamber should also be asked to pass similar resolutions."

After this resolution was duly proposed and seconded the Chairman observed that there could be no two opinions on the question of the treatment of Indians in the Colonies, but at the same time it was to be borne in mind that several practical difficulties would lie in their way if they were to give full effect to the resolution that was moved at the meeting. After this preliminary observation the Chairman requested the members present to express their views on the resolution. A somewhat lengthy discussion ensued in the course of which all the spea-

kers seemed to be unanimous on the spirit of the resolution but as regards its practical working some members expressed serious doubts. At this stage Mr. Hansraj P. Thakersey moved an amendment to the effect that instead of the words "this Chamber resolves" the words "this Chamber recommends" should be substituted and that the last sentence of the resolution should be deleted. Mr. Kekobad Adenwalla moved another amendment that with a view to consider fully the retaliatary measures suggested in the resolution and also several others of a like nature a Sub-Committee with power to co-opt be appointed with a request that they should submit their report to the General body within two months from the date of appointment.

The first amendment was withdrawn with the permission of the meeting and the second amendment was passed unaimously.

The matter is yet under the sub-committee stage.

86. Renewal of Mail contract with the B. I. S. N. Company:

A letter was received from the Government of Bombay, Revenue Department, enclosing copies of the letters from the Director General of Posts and Telegraphs, No. E. J. 11/22, dated 5th September 1922, and of its accompaniments and enquiring whether the Committee of the Chamber had any suggestions to offer regarding the modification or improvement of the existing Mail services provided by the B. I. S. N. Company. The Committee in reply suggested that the following conditions should be incorporated in the Mail contract with the B. I. S. N. Company:—

(*a*) the period of contract should not exceed five years;

(*b*) there should be a stipulation in the contract regarding the immediate employment of Indians as apprentices in the Engine and Navigation Departments of the steamers of the Company, the number of such apprentices not to be less than one per department per steamer; and

(*c*) in view of the opinion expressed by all the members of the Fiscal Commission in the general report a clause should be inserted in the contract that the Company will not pay deferred rebates to shippers of cargo carried by vessels of the Company.

87. Death of Mr. Madhowji Thakersey :

The Committee sent a letter of condolence to the family of the late Mr. Madhowji Thakersey who was associated with the Chamber since its inception and was a member of the Committee during the early years of the Chamber's existence.

88. Proposed legislation regarding the licensing of Gins and Presses :

A letter was received from the Government of Bombay, Revenue Department, forwarding a copy of the Government resolution, Revenue Department, No. 103-C, dated 14th November 1922 and asking the views of the Committee on the subject mentioned therein. The Committee in reply informed that they agreed with the purport of the Government resolution referred to but would however like the Local Government to consult local bodies regarding the rules that might be framed hereafter.

89. Government and the Chamber.

Your Committee are glad to inform you that the Government of India and the Local Government have been pleased to keep them in touch with all the important communications issued by them on all matters affecting trade, commerce, industries, finance, etc. The Chamber has also been receiving free of charge all the Government publications. Your Committee beg to thank the Government for their courtesy.

90. The Journal.

Your Committee regret to bring to your notice that the Journal of the Chamber has not been making satisfactory progress and losses are being incurred towards its publication.

91. Membership of the Chamber :—

There were at the end of the last year 533 members. During this year 22 have joined and 70 members resigned having at the end 485 members.

92. Balance Sheet.

The Balance Sheet of the Chamber audited by the Chamber's auditor Mr. Devidas Vithaldas is appended herewith.

THE INDIAN MERCHANTS' CHAMBER.

Income and Expenditure Account from 1st January 1922 to 31st December 1922.

EXPENDITURE.	Amount.	Amount.
	Rs. a. p.	Rs. a. p.
To Office Establishment, Rent, Insurance, etc.		24,148 11 9
„ Postage and Telegrams		927 11 6
„ Miscellaneous Expenses...		453 5 6
„ Subscriptions to Newspapers and Journals		1,621 4 7
„ Stationery		1,305 10 6
„ Printing Chamber's Reports and Representations		7,632 14 0
„ Printing Chamber's Journal		3,935 0 0
„ Commission on Advertisements		203 10 0
„ Carriage Hire		258 10 3
„ Furniture		231 14 0
„ Reference Books ...		75 0 0
„ Translating Rules and Regulations of the different Chambers of Commerce		344 5 9
„ Public Meetings		553 3 0
„ Chairs Hire		247 8 0
„ Legal Expenses		240 10 8
„ Books Binding		32 8 0
„ Sir Ibrahim Fund (For Books)		1,011 0 0
„ Lift Repairs at the old promises		1,461 2 6
„ Advertisements		73 0 0
„ Auditor's fees		100 0 0
„ Tour account (Mr. J. K. Mehta)		666 0 0
„ Railway Conference		180 0 0

„ Removal of Office			682 10 6
„ Bad Debts.			60 0 0
			46,445 12 6
Cash and Investments.			
Port Trust Bonds at cost	2,025 0 0		
6½ percent. Loan	5,000 0 0		
Cash with the Bank of India, Ltd.	66 5 11		
„ the Central Bank of India Ltd.	156 4 5		
„ the Tata Industrial Bank, Ltd.	105 8 9		
Cash on hand	340 15 7		
		7,694 2 8	
	Total Rs. ...	54,139 15 2	

I have examined the above account of Income and Expenditure with Books and Vouchers of the Indian Merchants' Chamber and certify the same to be correct.

DEVIDAS VITHALDAS,

Auditor.

Bombay, 2nd January 1923.

INCOME.			Amount.			Amount.		
			Rs.	a.	p.	Rs.	a.	p.
By Balance brought forward						17,335	8	4
„ *Admission Fees*—								
22 New Members @ Rs. 50			1,100	0	0			
Less 1 Member's admission fee received in the last year @ Rs. 50 ...			50	0	0	1,050	0	0
Payment received in advance of 2 members with new applications @ Rs. Rs. 50						100	0	0
„ *Membership Subscriptions.*								
465 Town members @ Rs. 60			27,900	0	0			
12 Mofussil members @ Rs. 25			300	0	0			
10 Associations @ Rs. 125			1,250	0	0			
Outstanding subscriptions realized			2,955	0	0			
	Total Rs. ...		32,405	0	0			
Less subscriptions outstanding	1,395	0 0						
Less last year's bad debts of 16 Town members @ Rs. 60 and 2 mofussil members @ Rs. 25 ...	1,010	0 0						
Less one member's subscription received in the last year @ Rs. 60	60	0 0						
			2,465	0	0	29940	0	0

Payment received in advance of 2 members with new applications at Rs. 60...		120	0 0
Subscription to the Journal		618	2 0
Advertisements		1,494	0 0
Interest on investments and current account		575	0 10
Sale Proceeds of old Magazines and News-papers		14	0 0
Do. Members' lists		37	0 0
Do. Chamber's Annual Report 1920-21		8	0 0
Suspense (As per last year's Balance-Sheet)		700	0 0
International Labour Office Geneva (for Books)		30	0 0
Profits on sale of securities		145	0 0
By Unpaid Bills :—			
For Printing Chamber's Reports and Representations		621	4 0
„ Printing Chamber's Journal		1,152	0 0
„ Office rent of the old premises		200	0 0
	Total Rs. ...	54,139	15 2

J. K. MEHTA,
Secretary,

DEVIDAS MADHOWJI THAKERSEY,
Vice-Chairman.

APPENDIX 1.

The Bombay Telephone Service.

(Telegram from the Chamber to the Secretary to the Government of India, Department of Commerce,

DELHI,

6th January, 1922.

"Committee Indian Merchants' Chamber are informed that Government propose entering into agreement with one English firm for the working and maintaining of telephones in Bombay. If so Committee strongly object to the proposed agreement and urge Government to consult Indian public opinion before taking final action in the matter. Acting Secretary-Inchambu".

GOVERNMENT OF INDIA, PUBLIC WORKS DEPARTMENT.

TELEGRAPHS.

No. 61-P.W.

To

The Secretary, Indian Merchants' Chamber and Bureau

Delhi, the 11th January, 1922.

Sir,

With reference to your telegram dated the 6th January 1922 to the Secretary to the Government of India, Department of Commerce, I am directed to say that the Government of India are considering the question of entering into a contract with the Bombay Telephone Company supplementary to their main license with the object of ensuring a better service and that before the contract is ratified, the Government of Bombay will be consulted on the subject. Your Committee appears to have been misinformed that Government intend to enter into an agreement with an English firm. I have etc.

R. B. EWBANK,

Deputy Secretary to the Govt. of India.

No. 62-P.W.

A copy of the correspondence is forwarded to the Government of Bombay, Revenue Department, in continuation of the endorsement from this Department No. 700-P.W. dated the 12th October 1921.

GOVERNMENT OF INDIA, PUBLIC WORKS DEPARTMENT.

No. 764-P.W.

To

The Secretary, The Indian Merchants' Chamber and Bureau,
BOMBAY.

Simla, the 7th April 1922.

Sir,

With reference to the correspondence ending with my letter No. 61-P.W, dated the 11th January 1922, I am directed to forward for the information of your Chamber a copy of the Agreement made by the Government of India with the Bombay Telephone Company relating to the telephone system at Bombay, and to invite the attention of your chamber to the provision in clause 4 which is intended to secure that its interests shall be duly represented on the Directorate of the proposed new Company.

I have etc.

R. B. EWBANK,
Deputy Secretary to the Government of India.

Agreement.

AGREEMENT made this *thirtieth* day of the month of March one thousand nine hundred and twenty-two between the SECRETARY OF STATE FOR INDIA IN COUNCIL (hereinafter referred to as "the Government") of the one part and the BOMBAY TELEPHONE COMPANY, LIMITED, whose Registered Office is situated in Bombay (hereinafter referred to as "the Company") of the other part, supplemental to a License dated ninth day of February one thousand nine hundred and eleven and made between the same parties, being a License for the working and maintaining by the Company of Telephones in Bombay and elsewhere as in the License more particularly defined (hereinafter called the License). WHEREAS the parties are desirous of varying the provisions of the License as more particularly hereinafter appears and for such purpose have agreed to enter into this Agreement. Now it is hereby agreed by and between the parties hereto as follows:—

(1) The Government agree (subject to clauses 7 and 9 of the License and as hereinafter mentioned) not to exercise its right of purchase under the License before thirty-first March one thousand nine hundred and forty-three.

(2) (a) The Company undertakes to arrange forthwith for the installation of an automatic system in its exchanges on the island of Bombay and to complete the same within three years from April 1st, 1922, (unless prevented by strike, lock out, act of God, the King's enemies, violence of the mob, fire, storm, tempest or other inevitable accident) and the Company further undertakes within such period to install plant of the automatic or central battery type in all its exchanges in other areas covered by the License, except in those exchanges whose subscribers do not exceed three hundred in number, and to maintain all plant in a satisfactory working condition and to give a satisfactory service.

(b) In particular and without prejudice to the generality of clause (2) (a) hereof the Company undertakes that when any two exchange subscribers' circuits are connected together on the same exchange or the circuit of an exchange subscriber whose office is on one exchange in an exchange area is connected with the circuit of another exchange subscriber whose office is on a different exchange in the same exchange area, and the radial distance between the two exchanges does not exceed ten miles, the standard of speech shall not be inferior to that afforded by standard talking circuits with zero loops connected by a length of twenty-six miles of standard cable. The standard cable circuit is as follows :—

(Diagram.)

(c) When the circuit of an exchange subscriber, whose office is on one exchange in an exchange area, is connected with the circuit of another exchange subscriber whose office is on a different exchange in the same exchange area and the

radial distance between the two exchanges exceeds ten miles, the standard used shall be fixed in each case by mutual agreement taking into account all the circumstances of the case.

In the case of exchanges which are in excess of ten miles apart, the Company shall be authorised to charge a toll fee at a rate to be mutually agreed for calls between such exchanges.

(*d*) The circuit of any exchange subscriber requiring trunk service over trunk lines controlled by the Government is to be such that, when subscribers' circuits on the same exchange are connected through their own exchange apparatus to the terminals of an artificial line having an equivalent length of fifteen miles of standard cable (the artificial line being connected to the terminal in the Company's exchange on to which Government trunk junctions are or will be normally connected), the standard of speech shall not be inferior to that afforded by a standard cable circuit of 300 ohms loops connected by a line of fifteen miles of standard cable.

(*e*) The undertakings given in this clause shall be deemed to be a condition of the License and shall be construed as if set forth in the first schedule thereto.

(3) The maximum annual subscription to be charged by the Licensees for exchange connections within four miles of the exchange shall be Rupees three hundred and fifty. But the Company agree that the rate to be actually charged shall not exceed Rupees three hundred until such time as the system has been converted to central battery or automatic working as aforesaid to the extent of not less than ninety five per cent. of the subscribers' lines. The rates charged by the Licensees, so far as they exceed Rupees three hundred per annum, shall be subject to revision upwards or downwards after five years from the date hereof, it being understood

however that the payment of a dividend on the paid-up capital of twelve and a half per cent. of which not more than eight per cent. shall be cumulative, shall be an essential factor of such revision and that in any year in which the net profits of the Company available for dividends shall exceed the above dividend on the paid-up capital such excess shall be applied as follows: namely, one-third thereof shall be credited to those telephone subsribers on the books at the date of declaration of such dividend *pro rata* to the amount of their respective subscriptions for the past year and the amount so credited to each subscriber shall be allowed by way of rebate from his subscriptions or if he is not a subscriber for that year shall be paid in cash and this amout can be claimed by Government if not paid to the subscribers, one-third thereof shall be paid to Government and one-third shall be distributed by way of further dividend among the members of the Company. The amount set aside annually for depreciation and reserve or otherwise, before the payment of a dividend, shall not exceed eight per cent. on the paid-up capital of the Company whether in the form of share capital or debentures. The charge to be made for any connections required by Government shall be twenty-five per cent less than the maximum rates.

(4) If the Company shall form and register a limited liability Company in India to acquire the property, assets and undertaking of this Company and to carry on and develop the undertaking the Government, notwithstanding any provision to the contrary in clause 7 of the License, hereby consents to the transfer to such new Company of the License as hereby modified and all the Company's rights and privileges thereunder on the new Company agreeing to be bound by the License as hereby modified and executing a document to that effect with Government. The provisions of clause 7 of

the License shall apply to the New Company formed under the power of transfer given under this clause. The Memorandum and Articles of Association of the new company shall provide for the application of the net profits over twelve and half per cent and also as to the amount to be set aside for depreciation and reserve in the manner set out in clause (3) hereof. The Board of Directors of the Company which may subsequently be formed to carry on the undertaking shall include one duly qualified member each of the Committee of the Bombay Chamber of commerce and the Indian Merchants' Chamber and Bureau, Bombay, to be nominated by the Directors of the Company. It is agreed that the sale price of the Business as a going concern including all reserve and other assets shall be two and a half fully paid Rupees fifty shares in the proposed new Company for one fully paid share of the same denomination in the existing Company. This valuation of the shares at two and a half times their face value applies only to sixty thousand shares and a nominal capital of Rupees thirty lakhs and no further shares in excess of sixty thousand shall be issued in the existing Company after the date of this Agreement.

(5) The Company shall make regular service observations showing:—

(*a*) Wrong connections (wrong number etc);

(*b*) Time in answering calls;

(*c*) Time in clearing calls;

(*d*) Time in answering recalls (lamp flashing by subscribers);

(*e*) Register of complaints;

and the said observations shall be open always to the inspection of Government and any officer or officers authorised in this behalf.

(6) In the event of the Government deciding to close any of the existing Government systems in areas in which the Company is operating the latter shall be required to transfer to their system all or any of the subscribers on the Government system by mutual agreement but within a period not exceeding twelve months, and on terms not less favourable than those applicable to the Company's subscribers at the time.

(7) The terms of clause 20 of the first schedule of the existing License shall be understood to include exchanges worked in connection with Government long-distance trunk lines.

(8) The Company shall be bound to extend their system, if so required by Government, so as to include any suburb of the town or towns in which it is operating, provided that a return of not less than twelve and a half percent on the expenditure involved by any such extension is obtainable.

(9) In the event of any dispute or difference at any time arising between the parties hereto in respect of this Agreement of the several matters specified herein or with reference to anything arising out of or incidental thereto, such dispute or difference shall be submitted to and be decided by the arbitration of two arbitrators, one to be named by each party to the dispute or difference, which arbitrators shall appoint an umpire before taking upon themselves the burden of the difference and this Agreement shall be deemed to be a submission to the arbitration of two arbitrators within the meaning of the Indian Arbitration Act of 1889, and all provisions of that Act (except as hereby expressly varied) or by any Act of the Legislature passed in substitution therefor, or in modification thereof, and for the time being in force shall be deemed to apply to any reference hereunder.

(10) In all other respects and save as expressly hereby varied, the license of ninth February one thousand nine hundred and eleven shall remain in full force and effect.

The common seal of the Bombay Telephone Company, Limited, was hereunto affixed in the presence of

(Sd.) Tricumdas Gordhandas. *Director.*

(Sd.) E. J. Bunbury. *Director.*

(Sd.) C. Robinson. *Secretary.*

Dated the 30th day of March 1922.

Signed by Sidney D'Aguilar Crookshank, the Secretary to the Government of India in the Public Works Department, for and on behalf of the Governor-General of India in Council, acting in the premises for and on behalf of the Secretary of State for India in Council

(Sd.) S. D'A. Crookshank,

Colonel,

Secretary to the Government of India,

Public Works Department.

In the presence of

(Sd.) R. P. Hadow,

Deputy Secretary,

Public Works Department.

Dated the 30th day of March 1922.

T. 371

2nd May, 1922.

To,

R. B. Ewbank, Esq. I.C.S., Deputy Secretary to the Government of India, Public Works Department.

SIMLA.

Sir,

I am directed to acknowledge with thanks your letter of the 7th April 1922, No. 764 P.W. With regard to clause 4 of the agreement sent as an accompaniment to your letter my Committee are of

opinion that it would have been better if they were asked to elect a member of the Chamber to the Board of Directors instead of one of their Members being nominated by the Board of Directors. I beg etc,

J. K. MEHTA,
Secretary.

APPENDIX II.

Indian Fiscal Commission.

No. 148.

Simla 10th October, 1921.

To

The Secretary, the Indian Merchants' Chamber and Bureau
BOMBAY.

Sir,

I am directed to forward herewith a list of the questions prepared for witnesses giving written evidence for the Indian Fiscal Commission and to say that the Commission would be glad to receive the views of the Chamber on such of the points as they may wish to deal with. I am also to request that copies of the questionnaire may be distributed to such members of the Chamber as are likely to wish to give evidence. I have etc.

H. G. HAIG,
Secretary, Indian Fiscal Commission

List of questions for witnesses giving written evidence for the Indian Fiscal Commission.

EXPLANATORY NOTE.

The following questions have been framed with a view to indicating the main aspects of the enquiry to be undertaken by the Fiscal Commission, so far as the President and those Members of the Commission whom he has been able to consult can at present judge of them. Sections A. and B. are intended to cover the general problems which will arise for consideration in determining the future direction of

fiscal policy and in deciding whether India should adopt a policy of Imperial Preference. The remaining sections contain questions designed to elicit not only the opinions but the definite experience of those engaged in the various branches of industry and commerce. In the case of answers to these questions the Commission will naturally attach special importance to conclusions resting on a solid foundation of facts and figures.

2. It is not intended that those who are engaged in industry and commerce should confine themselves to the special sections dealing with their particular business. On the contrary, there are many questions in Sections A. and B. which require for their adequate consideration an intimate acquaintance with business conditions, and it is hoped that those who have such special knowledge will give the Commission the benefit of their general views on the important and difficult problems that arise.

3. As explained above, the questions are designed to cover the whole field of the enquiry, so far as it can be outlined at this stage. It is not therefore expected that each witness should attempt to answer all the questions. If a witness wishes to give his views on any points relevant to the enquiry which have not been included in the questionnaire, it would be convenient that such points should be dealt with in a supplementary statement.

4. The Commission is inviting either directly or through Local Governments various associations and individuals to forward in writing their replies to the questionnaire. The Commission will also be glad to receive replies from any associations or individuals not so invited who may wish to represent their views. Copies of the questionnaire can be obtained from the Secretary, Indian Fiscal Commission, Simla, on application.

5. The Commission assembles in the first half of November and the early receipt of written replies to the questions would greatly facilitate its work. After perusal of the replies the Commission will select certain witnesses for oral examination. To give adequate time for this, it is requested that replies may be despatched so as to arrive at least three weeks before the date on which the witness is likely to be

examined. The provisional programme of the tour of the Commission indicating the approximate dates on which oral evidence will be taken at each centre is as follows :—

Assemble Bombay early in November 1921. No evidence will be taken at Bombay at this time.

Depart. ...	... Bombay	... 24th November.	
Arrive ...	... Karachi	... 26th November.	
Depart. ...	... „	... 2nd December.	
Arrive ...	... Lahore	... 3rd December.	
Depart. ...	... „	... 9th December.	
Arrive ...	... Delhi	... 10th December.	Delhi evidence will be taken at this time and not in March.
Depart. ...	... „	... 15th „	
Arrive ...	... Cawnpore	... 16th December.	
Depart. ...	... „	... 21st December.	
Reassemble	... Calcutta	... 5th January 1922.	
Depart. ...	... „	... 20th January.	
Arrive ...	... Rangoon	... 23rd January.	
Depart. ...	... „	... 27th January.	
Arrive ...	... Madras	... 30th January.	
Depart. ...	... „	... 7th February.	
Reassemble	... Bombay	... 20th February.	
Depart. ...	... „	... 6th March.	
Arrive ...	... Delhi	... 8th March.	

6. Replies and all communications should be addressed to the Secretary, Indian Fiscal Commission, Simla, up to the 31st October 1921. Thereafter they should be addressed to the Secretary, Indian Fiscal Commission, Camp, without the addition of the name of any post town.

QUESTIONS FOR WITNESSES.

A.—General.

The existing Indian import tariff is based primarily on revenue considerations. But it has been modified with a view to admitting free or at the favourable rate of 2½ per cent. articles the cheap import of which was considered desirable in the interests of the country. Thus certain raw materials, manures, agricultural implements, dairy appliances and cotton yarn are admitted free. Machinery, iron and steel and railway plant and rolling stock pay only 2½ per cent. *ad valorem*. The general rate, under which come the bulk of imports, is 11 per cent. *ad valorem*, while certain articles such as motor cars, jewellery and silk goods have been specially subjected from revenue considerations, to a duty of 20 per cent. Sugar is charged at a special rate of 15 per cent. and high duties are imposed for revenue purposes on tobacco and liquors. An excise duty at the rate of 3½ per cent. is levied on all woven cotton goods manufactured in power mills in British India.

Export duties imposed for revenue purposes are at present levied on raw and manufactured jute, rice and tea. In 1919 an export duty was also imposed on raw hides and skins, with a rebate of ⅔ of the duty on hides and skins exported to any part of the Empire. The object of the duty was partly to foster the Indian tanning industry and partly to maintain a key industry within the Empire.

A Revenue Tariff.

1. Do you generally favour a policy of free trade or protection? If the former, have you any objection to the imposition of customs duties for the purpose of obtaining revenue?

2. Do you consider that a tariff provides a more or a less suitable form of taxation for India than direct taxation? If fresh taxation were necessary would you prefer an increase in customs to an increase in direct taxation?

3. If you accept the principle of imposing a tariff for revenue purposes would you suggest any change in the list of articles taxed or in the rate of taxation?

4. Do you consider that the tariff should continue to be based on existing principles? If so, please explain your views as to the advantages of this policy.

5. What effect do you consider the existing tariff policy has had on Indian industries in the past, and what effects on Indian industries would you anticipate from a continuance of this policy in the future?

6. When a duty is imposed on an article imported from abroad do you approve in theory or in practice of imposing an excise duty on the same article manufactured in India?

7. If you favour the imposition of excise duties is it on the ground that no protection of any kind should be afforded to the home manufacturer as against the foreign manufacturer?

8. Can such duties be imposed without raising the price to the consumer?

A Protective Tariff.

9. Do you consider that the tariff should be framed primarily with the object of fostering Indian industries? If so, please explain the advantages anticipated.

10. Do you look forward to India becoming in time independent of other countries in regard to all her requirements of manufactured goods, or do you consider that there are certain manufactured goods for which she is always likely to be dependent on other countries? If you hold the latter view can you furnish a list of articles for which India will have to depend on other countries?

11. Would you, for the purpose of developing Indian industries, favour the imposition of protective duties on all imported manufactures or only on some?

12. If you favour the protection of some industries only, which would you select for protection and on what principles?

13. Do you consider it desirable to establish new industries by protection? If so, on what principles would you select them?

14. Would you confine protection to industries which are likely after a period to be able to face foreign competition without such assistance, or would you contemplate the establishment of industries which would be likely to require continuous assistance?

15 Would you grant special protection against foreign goods favoured by such measures as dumping, bounties, subsidies or transport concession? If so, what means would you suggest for ascertaining the exact facts and what measures would you advocate to afford the necessary protection?

16. What is your attitude towards hand industries and in particular towards the cotton handloom industry? Do you wish them to be maintained or not?

17. Is there any danger in India of protection leading to combination among the protected manufacturers in order to maintain a quasi-monopoly price? If so, what safeguards would you suggest to counteract the effect of such a combination?

18. Do you think that, if a protective policy is adopted, it is likely that British or foreign industrial firms will endeavour to establish themselves in India in order to get the benefit of the protective tariff? If so, what would be your attitude towards such a movement?

19. In countries under a protective system it sometimes happens that producers of raw material ask for protection, while manufacturers who use the raw material oppose them, wishing to get their raw material as cheaply as possible. In the same way a demand of the spinning industry for protection is sometimes opposed by the weaving industry whose interest lies in cheap yarn. Do you think that conflicts of interest of this nature would be likely to arise in India and that if they did arise there would be any difficulty in adjusting them?

Effect of Protection on prices and on the consumer.

20. When an import duty is imposed, do you consider that ordinarily the whole or any part of it is passed on to the consumer in a rise of price?

21. If a protective duty causes a rise in price, is that rise likely to be permanent or not?

22. Would you be willing to accept an increase in price to the Indian consumer for the sake of developing Indian industries?

23. In considering the above question would you have regard to the point whether the protected article was a necessary of life? If so, what articles would you class as necessaries?

24. If you hold that an increase in the tariff rates would tend to increase the cost of living in India do you think the increased cost would be covered wholly or in part by a rise in wages or salary for

(*a*) the industrial wage earner,

(*b*) the agricultural wage earner,

(*c*) the middle classes.

Effect of Protection on Foreign Trade

25. What effect do you consider a policy of protection would have on the foreign trade of India and on the general commercial position and prospects of the country?

Use of Tariff for bargaining.

26. Do you consider that the existence of a traiff which could be used as an instrument for bargaining with other countries would be advantageous to India?

27. If so, would you recommend the adoption of general and special tariffs, the special being applied to countries from which India receives favourable treatment?

28. If the tariff is to be used in this way, would it be necessary to make it more detailed than it is at present?

Organisation for investigating the claims of industries.

29. If a policy of protection were adopted would you recommend any kind of permanent organization for investigating the claims of various industries to protection from time to time and for the periodical readjustment of tariff rates?

Export duties.

30. What is your view of the proper function of export duties? Do you think that they should be imposed only for the purpose of raising revenue or do you think that they may be utilised for other purposes also?

31. What do you consider generally is the effect of export duties on the export trade? Can they in certain circumstances be imposed without injury to the trade? If so, in the case of what trades in India could this be done, and to what extent?

32. Would you consider it advisable to impose an export duty on a raw material in order to encourage its retention in India either for purposes of manufacture or for any other purpose? If so, please examine instances in which you would recommend such action and consider whether it would have any effect on the producers of the raw material and the amount they would produce.

33. Do you consider that it would be of advantage to India to impose an export duty on foodstuffs with a view to controlling their export and thereby lowering Indian prices and the cost of living? What effect do you consider such action would be likely to have on the agricultural interests and on the quantity of foodstuffs produced in India?

34. Would you consider it advisable to impose an export duty on a raw material in retaliation for an import duty imposed by a foreign country on the manufactured article? If so, please examine cases in which you would recommend such action.

B.—Imperial Preference.

At present reduced duties are levied by Canada, Australia, South Africa and New Zealand on a number of articles imported from the United Kingdom. In Canada, Australia and New Zealand the preferential duties are usually about $\frac{2}{3}$ of the full duty, though the fraction varies considerably both above and below this figure. The South African preference is a small one and is usually only a rebate of 3 per cent. *ad valorem*.

The United Kingdom has recently established preferential rates which are granted to the whole Empire on nearly all articles on which import duties are levied in the United Kingdom. The preferential rate is as a rule either $\frac{5}{6}$ or $\frac{2}{3}$ of the full rate.

A number of the smaller colonies grant preferential rates to the United Kingdom, and there are also various agreements between different parts of the Empire for mutual preference.

The countries which at present levy a lower rate of duty on certain goods imported from India as compared with the general duty levied on imports from foreign countries are the United Kingdom, Canada and New Zealand.

The articles of interest to India on which such lower duties are levied in the United Kingdom are tea, coffee and tobacco. These are all charged 5/6 of the full rate. In the case of Canada the only Indian imports of any account are tea, jute cloth and raw hides. There is no duty on raw hides or jute cloth. On Indian tea the rate is 7 cents per lb. as against the rate of 10 cents on tea imported from countries outside the Empire. New Zealand imports from India a small quantity of tea which pays 3*d.* per lb. as against the rate of 5*d.* charged on tea imported from outside the Empire, and a small quantity of candles which are charged 1½*d.* per lb. instead of 2½*d.* Other imports from India into New Zealand are for the most part either free or receive no special treatment.

35. Are you on general grounds favourable to the idea of Imperial Preference? If so, do you think that India would be justified in risking any appreciable economic loss for the sake of Imperial Preference?

36. Would you differentiate between the policy to be adopted towards the United Kingdom and towards other parts of the Empire?

37. Do you anticipate any material loss or gain to India from a system of Imperial Preference? In particular, do you apprehend any likelihood of retaliation by foreign countries against India?

38. If you are in favour of preference, can you give a list of articles imported into India and exported from India to which the policy of preference might be applied? What would you consider a reasonable average rate of preference?

39. What principles would you apply in selecting articles to which preference might be given on import into India? Would you

give preference in the case of goods which India hopes in time to manufacture mainly or entirely for herself, or only in the case of goods for which India is likely to have to depend on other countries ?

40. If preference were given by raising the import duties on goods coming from foreign countries, the existing rates being maintained for British goods, do you anticipate that this would raise the price to the consumer or not ?

41. Do you think that a system of Imperial Preference is likely to increase or diminish the total volume of Indian imports or exports, or to alter appreciably the proportion between them and thus affect the balance of trade ?

42. Do you consider that the partial or complete diversion of trade from foreign countries which might result from Imperial Preference would have any effect on India's general trade position ?

C.–Manufactures.

43. Are you interested in any industry and if so, in what capacity ?

44. Do you consider that there are natural advantages for the industry in India ? If so, please enumerate them.

45. Do you consider that the industry is essential to the national security or of substantial importance to the economic prosperity of India ?

46. What is the state of organization and equipment of the industry in India as compared with that in other countries ?

47. On what markets does the industry depend for the sale of its output ?

48. What foreign competition (including for this purpose competition from the United Kingdom or other parts of the Empire) does the industry have to meet ?

(*a*) in the Indian market ;

(*b*) elsewhere ?

Does this competition extend to all or only to particular classes of goods, and does it vary with different classes of goods ?

49. Apart from questions of organization and equipment are there any special circumstances, natural or artificial, which give the competing country an advantage ?

50. Do you think that the industry needs protection ? If so, what rate of duty do you consider it is necessary to impose ? Please give in detail the facts and figures on which you base your conclusions.

51. Do you think it likely that if protection is granted, the industry will eventually reach a level of development which would enable it to face foreign competition without the aid of protection, or do you think the industry will always remain to a greater or less degree in need of protection ?

52. Does the industry ever suffer from dumping ? If so, do you wish to suggest any remedy ?

53. Is competition from other countries accentuated by depressed exchanges in those countries ?

54. If so, is this phenomenon likely to be temporary ?

55. Do you consider that any remedy is required ? If so, what would you suggest ?

56. Has the industry received any benefit from the successive enhancements of the tariff beginning in 1916 ?

Can you describe the effects, so far as yet apparent ?

57. Do you think the industry has suffered in any way from export duties ? If so, please give in detail the facts and figures from which this conclusion is drawn.

58. Is the finished product of the industry used as the raw material for any other industry ? If so to what extent ?

59. Does the industry use as its raw material the finished product of any other industry which is established or is likly to be established in India ?

60 Would you prefer a system under which all industries would receive a more or less uniform protection, or one under which industries receive varying amounts of protection in accordance with their needs ?

D.—Export Trade.

N. B.—**These questions are intended not only for actual exporters, but also for those who produce for export.**

61. What articles do you export and to what countries?

62. Are you interested in any of the articles on which export duties are levied? If so, what do you consider has been the effect of these duties?

63. Do you recommend the increase, reduction or abolition of any of the existing export duties?

64. Is the Indian export trade in any way hampered by high import duties imposed in certain countries? If so, do you consider any action feasible or desirable?

65. Do you think the export of any articles in which you deal would be stimulated by a preferential rate granted by the United Kingdom or any of the Dominions or Colonies? If so, what would you consider the minimum rate of preference for each article which would exercise an appreciable effect?

66. Do you consider that the lower duties at present levied on certain imports from India into the United Kingdom or Canada or New Zealand, as compared with the general duty levied on imports from countries outside the Empire, have had or are likely to have any beneficial effect on the Indian trade in those articles?

67. Do you think that any foreign country whose trade might suffer by a system of Imperial Preference would be able without injury to itself, or would be likely even at the cost of injury to itself, to penalise the Indian export trade to that country? If so, what are the Indian exports that might suffer?

68. If owing to a system of Imperial Preference the imports from certain foreign countries diminished, do you consider that this would tend to have any effect on the volume of Indian exports to those countries?

69. If so, would there be an alternative outlet for these exports without economic disadvantage, within the British Empire or in other foreign countries?

E.—IMPORT TRADE.

70. What articles do you import and from what countries?

71. Have you observed any effects on your trade in particular articles from the year 1916 up to date, which can be ascribed in part or in whole to the changes in the rates of import duty?

72. Do you consider that an appreciable increase in the present tariff rates whould seriously diminish the volume of imports? Can you give instances of any important commodities in which such a result is likely to occur?

73. What would you expect to be the effect on the import trade of a preference given to British goods—

(a) if the preference were given by maintaining the existing rate for Foreign goods and reducing it for British goods;

(b) if the preference were given by maintaining the existing rate for British goods and enhancing it for foreign goods; and

(c) if the preference were given by a combination of *(a)* and *(b)*, *i.e.*, raising the rate for foreign goods and reducing it for British goods?

74. If Imperial Preference were introduced would you recommend that the same preference on the same goods should be granted to all constituent parts of the Empire, or would you treat each part of the Empire separately, taking into account the question of what reciprocal benefits India would receive?

75. Do you think it likely that a system of Imperial Preference would diminish or increase the total import of any class of goods, or would it merely tend to alter the proportion in which that total is derived from foreign and British countries?

76. Would any undesirable results follow from diverting the source of Indian imports from foreign to British countries?

77. If you are favourable to Imperial Preference, to what articles would you be prepared to extend a preference if imported from the Empire or particular parts of the Empire, and what would you suggest as the amount of that preference?

78. Do you approve of the system of *ad valorem* customs duties or would you prefer that the duty should be specific, *i.e.*, a fixed charge for a given weight or measure? If you prefer the latter system, what are your views on the necessity of readjusting the duties from time to time?

F.—RETAIL TRADE.

79. What are the principal imported goods in which you deal?

80. To what extent can changes in the retail prices of imported goods from 1916 onwards be attributed to the increases in the import duties during that period? Can you give details of any such changes in retail prices with which you are familiar?

81. In the case of any important classes of imports can you give any figures showing to what extent demand diminishes as prices rise?

82. Have the increases in the tariff since 1916 affected your trade in any way?

83. What would you expect to be the effect on your trade if imports from the United Kingdom or from the whole Empire were taxed at existing rates, while the duty on imports from foreign countries was raised?

No. 1376.

INDIAN FISCAL COMMISSION.

Dated Camp, the 10th February 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

As you are no doubt aware the Indian Fiscal Commission will commence taking evidence in Bombay on the 20th instant and will remain here till the 4th March when they will leave for Delhi. As the members of the Commission would be glad of an opportunity of studying the replies to their questionnaire, I write to ask if your

Chamber intend to send in their views on the various points at issue and if so to request that a statement of those views may kindly be forwarded to me at a very early date. I am also to request that if the replies are being printed 35 spare copies may be furnished.

Yours faithfully,

E. F. ROGERS,

Assistant Secretary.

No. T. 81.

15th February 1916.

To,

The Secretary, The Indian Fiscal Commission, Development Buildings, Old Custom House, Bombay.

Sir,

With reference to your letter No. 1376 dated the 10th inst., I enclose herewith for the consideration of the Indian Fiscal Commission the Memorandum of evidence of the Indian Merchants' Chamber and Bureau. I am further directed by my Committee to inform you that they have appointed Mr. Purshotamdas Thakurdas, C. I. E., M. B. E., Chairman of the Chamber and two other members of the Committee as the Chamber's representatives for the purpose of giving oral evidence before the Commission. I beg etc.

S. M. MUZUMDAR,

Ag. Secretary.

THE INDIAN FISCAL COMMISSION.

Memorandum of evidence submitted by the Indian Merchants' Chamber & Bureau.

—:o:—

Question 1 :—We are strongly in favour of a policy of protection for this country.

Question 2 :—We are of the opinion that a tariff is a more suitable form of taxation than direct taxation, and that if fresh revenues

are needed for the country this indirect from of taxation should be resorted to in preference to direct taxation, which is already very heavy and beyond the taxable capacity of the people and in which reductions are certainly desirable.

Question 3 :—We do not accept the principle of imposing a tariff for revenue purposes only.

Question 4 :—If the question means that the tariff should be continued purely for revenue purposes we have already answered it in our answer to Question No. 3.

Question 5 :—The existing tariff policy has had no beneficial effects on the development of industries ; for our contention is that a tariff meant for revenue purposes only will never succeed in giving the industries of the country that protection which they need for development.

Question 6 :—We would emphatically say, no.

Question 8 :—The price would, no doubt, be raised to the consumer by an excise duty but there would be no compensating advantage. The effect of such duties would be injurious to Indian industries.

Question 9 :—Yes ; we are strongly of opinion that the tariff should be framed primarily with the object of protecting and developing Indian industries. For the advantages anticipated from such a tariff we can only refer you to the present economic position of all the manufacturing countries of the world. Germany, America, Belgium, France and Japan have all developed within the shelter of high protective duties ; and England herself established her position as an industrial nation behind the protection of tariff walls, bounties, Navigation laws, etc.

Question 10 :—We look forward to this country becoming in time independent of other countries in regard to all her essential requirements. The measure of that time will depend on the amount of protection obtained by the country. With the existence of her abundant resources in men and materials we have no doubt that this country could be in a position to manufacture her essential requirements.

Question 11 :—We would favour the imposition of minimum protective duties on all imported manufactures. The amount of further protection may, however, vary with the peculiar and special circumstances of each particular industry.

Question 13 :—If sufficient protection is granted to the industries of this country against foreign manufactures, Indian industries will naturally select themselves and industrial development in various fields will spontaneously follow.

Question 14:—We do not think that the question can be categorically answered because the duration of protective assistance to Indian Industries would, apart from internal progress and establishment, and the degree of efficiency of our labour, both skilled and unskilled, depend also on conditions in the rest of the manufacturing world, which may vary. For instance, if bounties and subsidies are given to an industry by a foreign Government, the protection to the Indian industry would have to be continued. Generally speaking, we may say that even if a protected Indian industry is well established in the country in the future, it would continue to receive protection as long as there does not take place a general disarmament in the tariff world.

Question 15:—Yes ; we would. With regard to means for ascertaining the exact facts of favours of the kind referred to, conferred by foreign Governments on particular industries, these would generally be obtainable from the Indian interests concerned. Consular Agents and Trade Commissioners would further help in this direction. The necessary protection against these can be secured either by countervailing duties or by any other measures that the organisation referred to in our answer to Ques. No. 29 may think fit to adopt to meet the situation, when it arises.

Question 16:—Hand industries based on such economic factors as idle time, fancy designs, which can only be done by hand, and consequently on uneconomic prices, would naturally take care of themselves. But we would have no objection to hand industries being encouraged on sound business lines having due regard to the possibilities of their being ousted by power industries.

Question 17: – We are afraid it is too early in India to be apprehensive of the dangers referred to. In any case if and when they do arise, the Legislature would be competent enough to deal with them. There are Trade combinations in other countries but these countries have not yet been known to have given up their protectionist policy on that account.

Question 18: – It is not improbable that foreign industrial firms will endeavour to establish themselves in India behind the shelter of tariffs. But we would suggest some safeguards to prevent unfair exploitation of the resources of the country by such firms. We should insist on all concerns developing industries in India to be formed with Rupee capital; half the capital of each should be offered to and held by Indians. Similarly, no concessions at all should be given to any non-Indian Company unless at least sixty per cent. of its capital is offered to and held by Indians. Foreign or Colonial firms should be allowed to start industrial concerns in India only if the foreign country or Colony from which they come treats Indians on equal terms with its own people at home.

It is possible that non-Indian firms, established in India to take advantage of the protective tariff, may try to make common cause with their interest abroad, and in their strength, use unfair means to strangle newly born Indian competitors. To prevent such an abuse by them, of the privilege of being established in India the permanent organisation (ref. Question 29) should keep continuous watch and report every such case to the Government for strong, prompt and effective remedial measures. In the interests of India it may be necessary for the Government to compel such non-Indian concerns to wind up their business in India.

Question 19:—As a general rule we do not see how such a conflict of interests could be avoided. But the Legislature can guard the best and ultimate interests of the country as a whole, as other nations have been doing within their own borders. In a conflict of interests, the balance of advantages to the country as a whole should be the determining factor in any solution that is applied.

Question 20:—In normal conditions, and in certain cases, some part of the duty will inevitably fall on the consumer. But whatever

be the incidence of the duty, whoever ultimately pays it, or a part of it, the interests of the country as a whole are served by the establishment or encouragement of an industry as a result of the duty. We would also point out that it is of no practical consequence to isolate consumers into a special class by themselves. No man is a consumer alone, nor is any man only a producer; and if it is granted that the consuming and producing classes are for all practical purposes one and the same, spread over the country as a whole, the incidence of the duty, *again* to the country as a whole, does not matter.

Question 21:—Any rise in prices due to protective tariff would be mitigated by the tendency of internal and external competition to lower them. The balance of natural advantages that an Indian industry may possess in the nature of the availability and proximity of raw materials, markets, labour, etc., may even further tend to lower prices as against those at which the foreign competitors could sell in India.

Question 22:—Please refer to our answer to Question 20.

Question 23:—The only two fundamental necessaries of life are food and water. All other human requirements are more or less relative in their necessity; and the case of each individual article would have to be dealt with on its own merits. For instance, till the sugar industry is thoroughly established in this country, there is no reason to be afraid of the tariff taxing the consumers in an increased price. For, we would repeat again, the very establishment of the industries by a tariff would be for the greatest good of the greatest number in India, and would be in consonance with the interests of the country *as a whole.*

Question 24:—As far as the tariff is concerned, it would certainly tend to increase the cost of living, but its effects would only be more or less temporary, and with the general increase in Indian production these would gradually diminish. The cost of living, however, would be, and is even now, affected by influences other than tariffs such as the growing standard of living, the volume of currency, and the inevitable sequence of higher wages.

It is very difficult to state the exact extent of the cover that would

be afforded to the three wage-earning classes by a rise in their income. The industrial wage-earner will certainly have an increased income with increased production and increased demand for his services. The agricultural wage-earner will produce more raw materials for Indian industries and will earn more. Apart from that, in India, the industrial wage-earners and the agricultural wage-earners are not distinct and separate classes by themselves; and when Indian industries spread their beneficent effect all over the country, as it is hoped some day they will do, both these classes, even if you treat them as separate classes, will have an increased income. The middle classes, viz., the large body of traders who are intermediaries between production and consumption, will also secure increased income from the increased volume of general and internal trade. So that we think that all the three classes will gradually be in receipt of an increased income which will compensate them for the increased cost of living in so far as such increased cost of living is brought about by an increase in tariff rates.

Question 25 :—The experience of every industrial country that has grown by protection proves that industrial development is favourable to its foreign trade and to the general commercial position and prospects of the country. There is no reason why India should prove an exception. It need not be assumed that the development of Indian industries will mean the killing of its foreign trade. A prosperous India will have a larger purchasing power, and a more productive India will have a larger selling capacity, even outside its borders than at present.

Question 26 :—A tariff would certainly have the advantage referred in this question; and if ever a circumstance arose, there is no reason why it should not be used for the purpose mentioned.

Question 27 :—For purposes of bargaining, concessions might be made to a foreign country according to the degree of favourable treatment granted by it to India. But here again the balance of ultimate advantages to this country in the development of its industrial potentialities would have to be continuously kept in mind.

Question 28 :—The tariff would have to be more detailed, and its actual framing would have to be done by an expert body.

Question 29:—In view of our reply to Ques. 11, we do not think that any necessity would arise for investigating the claims of various industries to protection from time to time; but we think it will be necessary to have a permanent organisation representing the commercial and industrial interests of the country which could deal with the extent of protection to be afforded to particular industries.

Question 30:—There should be no export duty levied for protective purposes on any raw material. But if it is absolutely necessary to levy such duties for *revenue* purposes, they should be levied on such articles only in which the country has a practical monopoly.

Question 33:—In the case of food stuffs, we think that the imposition of an export duty will not have the desired effect in allaying famine conditions, for the demand for our food stuffs in other countries may be sufficiently strong to draw away, in spite of the duty, part of our supplies when most needed by us. We think, therefore, that under conditions of famine and scarcity, the best course would be to control exports.

SECTION B.—*Imperial Preference.*

Generally we would say on this subject that we are strongly opposed to any policy of Imperial Preference; for we consider that this country ought to have the right of safeguarding its industrial interests first, second and last. The commercial situation has been in the past, and is to-day, that this country imports in normal times two-thirds of its total imports from within the British Empire; while two-thirds of its exports are to countries outside the British Empire. In other words, the United Kingdom takes from India less than one-half of the value of goods which she exports to India. A policy of Imperial Preference, therefore, would have the disastrous effect of keeping our tariff door still open to the British Empire as far as our necessities of manufactured articles go. That is to say, by such a system we should be forced to buy our requirements from the British markets, and would not, therefore, have the benefit of making our purchases in the larger world markets. And since it ought to be the declared policy of this country to develop its industrial potentialities by means of a tariff wall as against all-comers, a policy of Imperial Preference

would have the inevitable effect of hampering us in that direction. As it is, the British Empire enjoys and has enjoyed for years past, a unique position in the Indian market and any attempt on our part to give them *increased preference* will only have the unfortunate result of perpetuating India as a market for their goods. Apart from these considerations India would on balance lose more than she would gain by granting preferential rates on Imperial goods at the expense of the foreigner. And there would also be the risk of retaliation by foreign countries which would weigh heavily on our export trade, and therefore on the Indian producer.

Furthermore, under a system of Imperial Preference any attempt to keep a cheaper foreign article out of India by a higher duty would merely result in its being imported through the United Kingdom and under British guise. Attempts will also be made by the United Kingdom to obtain a larger percentage of our exports at the expense of the natural course of our export trade. In his latest despatch to the Board of Trade, His Majesty's Senior Trade Commissioner in India and Ceylon has urged that "Every effort should be made to stimulate imports of Indian produce and manufactures to the United Kingdom and to retain our valuable entrepot trade which has—in the past—been of incalculable benefit in stimulating British exports." To the Indian consumer or producer this unnatural course of trade would have no advantage, present or future. And we would urge that if this country is to consider her own interests first and foremost, a policy of protection, nullified by a system of Imperial Preference, will mean both a loss of revenue to the State and a defeat of the very objects of safeguarding Indian industries present and possible. This country cannot afford any more to risk its economic fortunes for the sake of ensuring a market for British goods, much less for the sake of a political experiment.

General.

We venture to submit to the Commission the vital issue at stake in determining the future fiscal policy of this country. The cry for protection in this country is not of recent growth. The necessity of protection has been felt ever since Indian economic interests began to realise the position in which they had been driven for many, many years past. In fact, it is our opinion that had a policy of protection been adopted even

twenty-five years ago, the country would have been able to show already very substantial results in the development of its industrial resources. We may also add that had such a policy been pursued, an industrial India would have been of greater assistance during the war than she was. The war also demonstrated the helpless position of the country so far as our requirements went, and we would urge that no steps be neglected to prevent a recurrence of such an unfortunate episode in its future history. We have, to-day, arrived at a stage in our industrial development when we feel that though the hesitating steps private enterprise has taken to develop industries have produced some—we hope, permanent-results, in spite of the want of tariffs, the pace must be accelerated if we are not to be left permanently behind. The industrial world has turned on a new course as a result of the war. Most of the belligerents were manufacturing countries far ahead of India in their productiveness. Almost all the belligerents have lost most of their capital in a war of dimensions staggering in its economic consequences. Millions and millions of pounds have been heaped on the shoulders of the Western world as war debts to be redeemed by future generations (and India has shouldered her war burden too). But that very load is going to stiffen their backs to obtain new wealth from out of the channels old and new. A determined effort will be made by them to retain old markets and capture new ones; for no other course is possible for them, either to balance their budgets or to pay off their debts, but by producing more, selling more and thereby obtaining more wealth. The industrial struggle will consequently assume a more gigantic scale than it has hitherto done; and those countries which tarry in their industrial progress will inevitably go to the wall. The question of protection, therefore, has assumed for us a deeper purport than ever. It has become a question of self-defence against the economic aggression of the manufacturing world; and if this country is not to fall further behind in the industrial race, and lose it altogether, every means that is available, individually to its inhabitants and collectively to its Government, must be availed of to enable it to stand up against the keener and more vehement struggle for markets that is coming. The fiscal policy of this country has hitherto been dictated by vested interests in the United Kingdom, be it said to the discredit of British rule in India. Free trade has been

imposed on her against her will, and to the ruin of her industries. The right to develop her material resources in her own interests has been denied to her. And she has been reduced into the helpless position of a farm for raw material and a market for the manufacturing world. Much of the unrest and dissatisfaction is due to this position of economic subservience into which she has been driven. And we venture to submit that as long as this universal and elementary right of every country, large or small,—which even Great Britain's other Dominions enjoy—is withheld from her, there will be no real peace or contentment. For economic subjugation is more insidious and disastrous in its effects than political subjugation; and economic death means every other death.

PURSHOTTAMDAS THAKURDAS.

15th February 1922. *Chairman.*

APPENDIX 3

Position of Indians in East Africa.

Chamber's Telegram to the Rt. Honourable David Lloyd George, O.H., M.P., Prime Minister of England, London, Dated the 15th February, 1922.

"Committees Indian Merchants' Chamber and British Indian Colonial Merchants' Association, Bombay, have read Mr. Churchill's speech at East African dinner with gravest concern and immense disappointment. It constitutes direct violation of promises and pledges of equal citizenship rights for Indians in the Empire. This violation is specially resented as Indians have been admittedly pioneers in developing East Africa. My Committees appeal to you not to accept but to modify the decision announced by Mr. Churchill so that it may be in keeping with natural rights of Indians as common subjects of King Emperor with white settlers. Indians feel that such an attempt to sacrifice their birthright after repeated unequivocal pledges betrays lack of statesmanship and further lack of courage to hold scales even between Indians and white settlers. Confirmation of this policy is bound to rankle for ever in India.

PURSHOTTAMDAS THAKURDAS.

President."

APPENDIX 4.

No. 2922-G.

British Chambers of Commerce in foreign countries and the use of the title "British Empire Chambers of Commerce" by approved Chambers.

Revenue Department, Secretariat, Fort, Bombay,

Dated the 28th November, 1921.

To

The Secretary, Indian Merchants' Chamber and Bureau,

Subject.—Constitution of British Chambers of Commerce in foreign countries and the use of the title "British Empire Chambers of Commerce" by approved Chambers.

Sir,

I am directed by the Governor in Council to forward for favour of the views of your Chamber a copy of Government Resolution No. 2922 dated 19th October 1921. I have etc.

SHAMRAO D. MANKAR,

Under Secretary to the Government of Bombay,

Revenue Department,

GOVERNMENT OF BOMBAY, REVENUE DEPARTMENT.

Resolution No. 2922, Secretariat, Fort, Bombay.

Dated the 19th October 1921.

Letter from the Government of India, Department of Commerce, No. 5801 dated 30th September 1921 :—

"I am directed to forward a copy of a letter and enclosures from the India Office, No. C. & R.—5173/21 dated the 22nd August 1921, on the subject of the constitution of British Chambers of Commerce in foreign countries, and the use of the title 'British Empire

Chambers of Commerce' by approved Chambers, together with relevant extracts from the report of the Foreign office Committee on British Communities abroad, referred to therein.

"2. The Government of India would be glad to be favoured with the views of His Excellency the Governor in Council and those of the Commercial public in this connection."

RESOLUTION.—Copies of the letter from the Government of India and of its accompaniments should be forwarded to the Commissioner in Sind and the Commissioner of Customs, Salt and Excise and they should be requested to favour Government with their views on the questions raised.

2. Copies should also be forwarded to the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber and Bureau, Bombay, and the Bombay Presidency Trades Association for favour of their views.

By order of the Governor in Council,

SHAMRAO D. MANKAR.

Under Secretary to Government.

Accompaniments to Government Resolution, Revenue Department, No. 2922, dated the 19th October 1921.

Copy of a letter from India Office, Commerce and Revenue Department to the Government of India, Department of Commerce, No. C. & R.—5173'21 dated 22nd August 1921.

Constitution of British Chambers of Commerce in Foreign Countries, and the use of the title "British Empire Chambers of Commerce" by approved Chambers.

I am directed by the Secretary of State in Council to forward, for information, copy of the papers noted below* and to invite an expression of the views of the Government of India on the questions raised.

* From Board of Trade dated 3rd August 1921 (with enclosures) to Board of Trade dated 22nd August.

Copy of a letter from Board of Trade to the Under Secretary of State, No. 693-F.G. dated 3rd August 1921.

I am directed by the Board of Trade to transmit to you for any observations which Mr. Secretary Montagu may desire to offer a copy of a letter to the Colonial Office of the 3rd August together with a memorandum on the subject of the constitution of British Chambers of Commerce in foreign countries, and the use of the title "British Empire Chamber of Commerce" by approved Chambers.

I am to add that the report of the Foreign Office Committee on British Communities Abroad, to which reference is made in the memorandum, has been published as a Parliamentary Paper (Cmd. 672.)

Letter from the Board of Trade No. 693-F.G. dated 3rd August 1921, to the Colonial Office.

I am directed by the Board of Trade to transmit to you a copy of a memorandum on the subject of the constitution of British Chambers of Commerce in foreign countries, and the use of the title "British Empire Chamber of Commerce" by approved Chambers, and to request that, if Mr. Secretary Churchill sees no objection, the Dominion Governments may be consulted as to the use of that designation under the conditions indicated in the memorandum.

The report of the Foreign Office Committee on British Communities Abroad, to which reference is made in the memorandum, is already known to the Colonial Office, and has been published as a Parliamentary Paper (Cmd. 672). It is suggested that a copy of the report should be communicated to the Dominion Governments when consulting them as proposed. It is understood that the Colonial Office would not have any objection, from the point of view of the Colonies, as distinct from the Dominions, to the use of the title "British Empire Chamber of Commerce" under the conditions stated.

The British Chambers of Commerce in Foreign Countries. Use of Title "British Empire Chamber of Commerce."

His Majesty's Government have had under consideration the question of giving some special form of recognition to British Cham-

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bers of Commerce established in foreign countries which are under purely British control, represent adequately local British interests, and give evidence of financial independence and stability. Recommendations on the subject were first made by a Foreign Office Committee on British Communities Abroad which reported in March 1920. The recommendations of that Committee were considered in April last by a specially convened meeting of the representatives of British Chambers of Commerce abroad who, basing themselves on the recommendations of the Foreign Office Committee, passed the following resolutions :—

1. That in the opinion of this meeting British Chambers of Commerce in foreign countries must confine the privilege of full membership to British subjects. The Officers, Members of Councils, and Secretary must always be British subjects.

If thought desirable foreign representatives of British firms and nationals of the country in which the Chamber of Commerce is situated who trade with the British Empire may be admitted as members or Associate Members, with restricted rights as to voting and as to the supply of information.

That British Chambers of Commerce abroad are recommended to call themselves "British Empire Chambers of Commerce" as soon as they receive the assent of the Board of Trade.

2. It has hitherto been the practice of the Board of Trade to permit British Chambers of Commerce in foreign countries which comply with certain requirements to register themselves as British Chambers of Commerce under the Companies Acts, and to omit the word "Limited". His Majesty's Government are prepared to confine this privilege in future to British Chambers of Commerce in foreign countries which comply with the requirements as to British control stated in the first of the above resolutions.

3. The second resolution recommends that such Chambers of Commerce should call themselves "British Empire Chambers of Commerce". It is claimed by the representatives of many of the British Chambers of Commerce already established in foreign countries that they are open to all members of the British Empire

and are ready to serve the interests of all parts of the Empire. So far as His Majesty's Government are concerned, they would be willing to permit a representative British Chamber established in a foreign country, which complies with the conditions above laid down, to register itself either as a British Chamber of Commerce or as a British Empire Chamber of Commerce, but they would be glad to know whether the Governments of the other parts of the Empire see any objection to the use of the latter designation.

Letter from the Secretary, Commerce and Revenue Department (India Office).

No. C. & R.—5173/21 dated 22nd August 1921 to the Secretary, Board of Trade.

I am directed to acknowledge the receipt of your letter of 3rd August regarding the constitution of British Chambers of Commerce in foreign countries and the use of the title "British Empire Chamber of Commerce" by approved Chambers.

In reply I am to say that the Government of India have been asked for an expression of their views on the questions raised, and that on receipt of their reply a further letter will be sent to you.

The policy to be adopted towards British Chambers of Commerce in foreign countries.

There is no doubt that in principle Chambers of Commerce afford an admirable means of keeping the commercial community together because they provide definite subjects for discussion and definite aims to be achieved. In principle too they are calculated to play a most useful part in advising and assisting British diplomatic and consular officials, out of their technical knowledge of commercial affairs. They have already become in some countries, and are destined in our opinion, to become in all important foreign countries, a valuable part of our national trade machinery. We are agreed therefore that the foundation of a Chamber of Commerce is warmly to be encouraged wherever there is a commercial community of reasonable size, and the development of existing Chambers.

While the foregoing conclusions cannot in principle be contested,

we are obliged to admit that the evidence shows a wide variety of character among British Chambers abroad which at present hinders the practical application of these conclusions.

Chambers vary in constitution, in activity, in ideals; they are most of them alike in their cordial relations with His Majesty's diplomatic and consular officials.

The main point of divergence in constitution concerns the inclusion of foreign members. Some Chambers admit foreigners to the full privileges of membership, including a seat on the Council. It would not, apparently, be unconstitutional in some Chambers for the President to be a citizen of an *ex*-enemy State. Other Chambers admit foreigners to membership, but give them no vote; others admit no foreigners; others admit foreign representatives of British firms. In our opinion a British Chamber of Commerce should confine the privileges of full membership to British subjects. Foreign representatives of British firms, or, if thought desirable, other foreigners trading with this country, might be admitted as Associate Members without a vote, and with restricted rights to the supply of information. The governing bodies and officers should in all cases be British subjects. Chambers should be fully representative of all British commercial and industrial interests and should secure representation in Great Britain by affiliation to the Association of British Chambers of Commerce.

One of the most widely-discussed questions concerning Chambers of Commerce is that of Government subsidies. We do not consider that any Chamber should be subsidised. Each Chamber should be in a position to express the independent opinion of the British commercial community; we do not consider that independence is consistent with a Government subsidy, the amount, or continuance, of which would have to be justified by the report of the British Government representatives in the country; nor are we convinced that the absolutely necessary expenses can be too great a burden for any community which is large enough to form a Chamber. Where more than one Chamber exists in a country, all the Chambers should be associated, with some unity of direction, and should work together.

We have stated that British Chambers vary in activity. It is obviously out of the question for His Majesty's Government to create

activity from within the Chambers, but they can create it from without by impressing upon their diplomatic and consular representatives that it is most desirable that they should make as full use as possible of the experience and knowledge of the Chambers by consulting the Councils on subjects affecting British trade. Discretion in this matter must be left to the representatives themselves as to the subjects on which they should consult the Councils and the manner and occasion of doing so. But where the Chamber of Commerce conforms to the type which we have indicated, we would recommend that it should not only have the right, which it naturally has already, to submit its opinion on commercial matters to the British representatives, but the right to have that opinion forwarded to His Majesty's Government.

Chambers which attain the ideal that we have suggested, namely, financial independence and stability, under purely British control, full representation of local British interests, and unity of direction for the country in which they are established, should be qualified for a special charter of incorporation as an Imperial Chamber of Commerce.

British Chambers of Commerce.

That His Majesty's Government should encourage the formation in foreign countries of British Chambers of Commerce fully representative of all the British interests concerned. Subsidies, however, should not be granted. It should be impressed on His Majesty's Representatives that they should make as full use as possible of the knowledge and experience of the Chambers by consulting them on subjects affecting British Trade.

In countries where the Chamber fulfils the following conditions, viz.:—

Financial independence and stability,

Purely British control,

Full representation of local British interests,

Unity of direction for the country in which it is established,

we recommend that it should be granted a special form of incorporation as an Imperial Chamber of Commerce.

T. 113.

To,

The Under Secretary to the Government of Bombay,
Revenue Department,
BOMBAY.

Sir,

With reference to your letter No. 2922-G, dated 28th November 1921, I am directed by my Committee to inform you that they approve of the idea of encouraging the formation of the Chambers of Commerce in foreign countries and the use of the title "British Empire Chambers of Commerce", by approved Chambers.

I beg etc.
S. M. MUZUMDAR,
Ag. Secretary.

APPENDIX 5.

Open Spaces as public recreation grounds for the Citizens of Bombay.

EUROPEAN ASSOCIATION.

(Bombay Branch.)

Secretary's Offices, King's Building, Hornby Road, Fort,
BOMBAY.
10th January, 1922.

To,

The Chairman, The Indian Merchants' Chamber & Bureau,
BOMBAY.

Sir,

I am directed to forward you a copy of a Resolution as passed by my Committee for the retention of the Cooperage, Marine Lines Maidan and other open spaces as public Recreation Grounds for the citizens of Bombay; copies of which have been sent to the Governor-in-Council and the Municipal Commissioner.

Yours faithfully.
M. M. BROWN,
Secretary, European Association.

Copy of Resolution Passed at a Committee Meeting of the Bombay Branch of the European Association on Thursday January 5th 1922.

1. That the Committee of the Bombay Branch of the European Association are of opinion that the open space known as the Cooperage should be reserved for the public use as a pleasure and playground for the use of the citizens of Bombay, especially the residents of the Fort and Colaba. That the southern portion approximately one-third of the whole of the Cooperage, be reserved as a children's play-ground, and that the remaining portion be used primarily for games such as football, hockey and for the public use generally as a Gymkhana ground. Tha Committee especially appeal for consideration of adequate play-ground facilities for the children of Indian, European and Anglo-Indian residents of the Fort and Colaba in view of the fact that the foreshore between Cuffe Parade and Churchgate Station will be lost for ever to the public as a healthy playground for children owing to the acquisition under the Land Reclamation Scheme by the Director of Development, and also that the Cooperage may still be retained as a public sports ground for Naval and Mercantile Marine Visitors and others who have for many years enjoyed the use of the Cooperage as a Recreation ground.

2. That the above applies with equal force to the Marine Lines Maidan, which is shown on the official plans as being built over for office buildings and which proposal this Committee view with alarm, that the Committee of the Bombay Branch of the European Association emphatically suggest that no open space that is at present used for pleasure and recreation purposes should be diverted to other purposes.

3. That the Committee observe there is no prospect of there being sufficient open-air space necessary for the health and recreation of the population of the city, and that it is a matter of considerable doubt whether the proposed areas on the Directorate of Development plans will prove satisfactory owing to their exposed position and the damaging effect on vagitation by sea-water, etc.

4. That H. E. the Governor-in Council be informed and earnestly asked to take such administrative and legislative action as will ensure the retention of the Cooperage, Marine Lines maidan and other open spaces as public recreation grounds for all time or at least until such time as adequate and satisfactory provision has been made and land actually handed over to the public for pleasure and recreation purposes for children and the citizens generally.

"TRUE COPY"

M. M. BROWN.

T. 112.

20th February 1922.

To,

The Secretary, The European Association (Bombay Branch),

BOMBAY.

Dear Sir,

With reference to your letter dated 10th January 1922, I enclose herewith for your information copy of the letter addressed by my Committee to the Government of Bombay.

Yours faithfully,

S. M. MUZUMDAR,

Ag. Secretary.

T. 111.

20th February, 1921

To,

The Secretary to the Government of Bombay

General Department,

BOMBAY.

Sir,

The Secretary, Bombay Branch of the European Association, has forwarded to the office of the Chamber copy of the resolution passed by his Committee regarding the retention of the Cooperage

Marine Lines Maidan and other open spaces as public recreation grounds for the citizens of Bombay. In this connection I am directed by my Committee to say that if the Government of Bombay are desirous of complying with the request of the Association as embodied in the resolution referred to above they will like very much to know the Government of Bombay's decision as in that case they mean to avail themselves of the opportunity of expressing their views in the matter.

I beg etc.

S. M. MUZUMDAR,

Ag. Secretary.

No. 2075-G.

General Department, Secretariat, Fort Bombay,

Dated the 18th April 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau.

Subject.—Retention of the Cooperage, Marine Lines Maidan and other open spaces as public recreation grounds.

Sir,

I am directed to refer to your letter dated the 20th February 1922 and to forward for your information copy of a letter addressed to the European Association in the matter of the Resolution passed by that body regarding the retention of the Co-operage, the Marine Lines Maidan and other open spaces as public recreation grounds.

I have etc.

S. N. ZIMAN,

For Secretary to the Government of Bombay

General Department.

Copy of the letter from the Secretary to the Government of Bombay, General Department, to the Chairman, European Association, Bombay Branch.

Sir,

I am directed to refer to your letter dated the 7th January 1922, forwarding a copy of a Resolution passed by the Committee of the European Association (Bombay Branch) regarding the retention of the Cooperage, the Marine Lines Maidan and other open spaces as public recreation grounds.

2. In reply I am to state that the Co-operage and the Marine Lines Maidan vest in the Bombay Improvement Trust under Section 60 (1) of the City of Bombay Improvement Trust Act, 1893, and that under Section 60 (4) of the act these sites have been appropriated as open spaces subject, however, to the following condition :—

> "that the by-laws to be framed by the Board for the management of the area under Section 94 (1) (c) of the City of Bombay Improvement Trust Act, 1898, shall provide for making * * * * any portion of the open space, that may be required, available on the requisition of Government for any temporary Government purpose."

3. With reference to paragraph 2 of the resolution referred to above I am to observe that the suggestions in Mr. Davidge's plan regarding the re-arrangement of open spaces, published under Press Note, Development Department, No, S. A. 4197, dated the 25th October 1921, merely indicated what might ultimately prove to be suitable, and it was emphasised in the Press Note that the layout was only a preliminary one. Before the diversion to other purposes of any existing open space is decided on hereafter, ample opportunity will be given by the Development Department to all interested parties to consider the actual proposals and to express their views. No action of this nature is, however, contemplated at the present stage of the development scheme.

4. With regard to other open spaces not vesting in the Improvement Trust the matter is under separate consideration.

I have etc.

Sd. J. C. KER.

Secretary to the Government of Bombay, General Department.

T. 373.

2nd May 1922.

To

J. C. Ker, Esqr., I. C. S.

Secretary to the Government of Bombay, General Department.

BOMBAY.

Sir;

I am directed to acknowledge receipt of your letter of the 18th April 1922, No. 2075/6 with its accompaniment. My Committee hope that opportunity will be given to them to consider the actual proposals and to express their views before the diversion to other purposes of any existing open space is decided upon hereafter.

I beg etc.

J. K. MEHTA,

Secretary.

APPENDIX No. 6.

Amendment of the Indian Contract Act.

No. 623-C.

Home Department, Secretariat, Fort, Bombay

29th November 1922

To

The Chairman, The Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I am directed by the Governor in Council to forward herewith a copy of a Resolution of Government in this Department No. 623, dated this day, and to request that you will be so good as to favour Government as soon as possible with the opinions of your Chamber on the Bill further to amend the Indian Contract Act, 1872.

I have etc.

G. WILES,

For Secretary to the Government of Bombay.

Home Department.

Bills.

A Bill further to amend the Indian Contract Act, 1872.

Government of Bombay, Home Department.

Resolution No. 623.

Secretariat, Fort, Bombay, 29th November 1921:

Copies of the accompanying letter from the Government of India and of its accompaniment should be forwarded to the High Court, the Court of the Judicial Commissioner of Sind, the Commissioner in Sind, the Commissioners of Divisions, the Advocate General, the Solicitor to Government, the Remembrancer of Legal Affairs, the Government Pleader in the High Court, the Government Pleader and Public Prosecutor in Sind, the Chief Judge, Court of Small Causes, Bombay, and all District Judges with a request that they will favour Government as soon as possible with their opinion on the provisions of the Bill and with such information as is readily available as to the extent of the alleged evils of champerty and maintenance in the Bombay Presidency.

2. The Commissioner in Sind and the Commissioners of Divisions should be asked to consult such selected Collectors as they may think fit.

3. The Chief Judge, Court of Small Causes, Bombay, should be asked to submit his opinion through the High Court, and all District Judges should be asked to consult the local Bar Associations and report their opinions through the High Court or the Court of the Judicial Commissioner of Sind as the case may be.

4. Copies of the correspondence should also be forwarded to the Bombay and Karachi Bar Associations, the Bombay Vakils' Association, the Pleaders' Association of Western India, the Bombay Incorporated Law Society, the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber and Bureau, Bombay, the Indian Merchants' Association, Karachi, and the Bombay Presidency Trades Association, and they should be requested to favour Government as soon as possible with their opinion on the Bill.

By order of the Governor in Council,

G. WILES,

Deputy Secretary to the Government of Bombay,

Home Department.

F. No. 399-Judicial.

From

H. Tonkinson, Esq., I.C.S.,

Additional Deputy Secretary to the Government of India.

To

The Secretary to the Government of Bombay,

Home Department (and other Local Governments,)

Delhi, the 2nd November 1921

Subject:—Dr. Gour's Bill to amend the Indian Contract Act.

I am directed to forward for the information of His Excellency the Governor in Council a copy of a Bill further to amend the Indian Contract Act, 1872, which Dr. H. S. Gour, a non-official Member of the Legislative Assembly, introduced in that Chamber on the 19th September 1921. The motion for introduction was accepted without any opposition from Government, and without much discussion in the Assembly. It is probable that the next stage of the Bill will be reached during the Delhi Session, which will begin in January next and it is desirable in the meantime that the policy of Government towards the measure should be considered.

2. In order to assist them in arriving at a conclusion as to the attitude which should be adopted towards the Bill, the Government of India would be glad to be favoured with the views of His Excellency in Council [together with those of the { High Court (and Judicial Commissioner's Court / Judicial Commissioner's Court } Bar Associations and such other authorities as { the local Government / you } think fit to consult] on the Bill.

[ ] Not to Calcutta High Court.
{ Not to Bengal. Assam, Coorg, Delhi, Baluchistan and Ajmer.

Incidentally they would be glad to receive such information as is readily available as to the extent of the alleged evils of champerty and maintenance in the province of Madras etc. at present.

The policy of Government should be decided before the resumption of the session and it is accordingly requested that a reply to this letter may be sent so as to reach the Government of India as early as possible.

I have etc,

H. TONKINSON,

Addl. Deputy Secretary to the Govenrnment of India.

F. No. 399.

A copy is forwarded to the Legislative Department for information, with reference to the correspondence ending with that Department's office memorandum no. 5319-A.C., dated the 21st September 1921.

By order, etc.,

J. D. V. HODGE,

Addl. Under Secretary to the Government of India.

A bill further to amend the Indian Contract Act, 1872.

Whereas it is expedient further to amend the Indian Contract Act, 1872, ix of 1872, it is hereby enacted as follows :—

Short title, commencement and application.

1 (1) This act may be called the Indian Contract (Amendment) Act, 192 .

(2) It shall come into force on the first day of ; and

(3) It shall apply to every agreement in respect of which any suit is instituted, or which is put in issue in any suit, after the commencement of this Act.

Insertion of new section 30-A. in Chapter II, Act IX of 1872.

2. In Chapter II, after section 30 of the Indian Contract Act, 1872, the ix of 1872, following section shall be inserted namely :—

"30-A. An agreement whereby a person promises to give information or supply funds for the maintenance of litigation or actively assist in the recovery of property in consideration of receiving a share of such property or of the proceeds of such litigation is void :

Agreement by way of maintenance and shamperty void.

Provided that nothing herein contained shall affect a *bona fide* agreement to purchase any property, if the purchaser did not intend to secure an undue advantage for himself out of the proceeds of litigation in which a title to such property was in dispute."

Statement of objects and reasons.

This Bill is intended to provide statutory prohibition of transactions held void in England on the ground of champerty and maintenance, which are even punishable there as indictable offences. Although the same law does not extend to this country, the Courts proceed upon its analogy in suppressing the evil of gambling in litigation as countrary to public policy. I have discussed the subject at greater length in my Law of Transfer((4th Edition), sections 257-262, and I consider the time now ripe for checking the abuse which in certain parts of the country is reported to be notoriously rampant.

H. S. GOUR.

7th April 1921.

T. 130.

20th February 1922.

To,

The Secretary to the Government of Bombay,

Home Department,

BOMBAY

Sir,

With reference to your letter No. 623-C., dated 29th November

1921, I am directed by my Committee to inform you that they approve of the provisions of the bill further to amend the Indian Contract Act, 1872, enclosed therein,

I beg etc.

S. M. MUZUMDAR,

Ag. Secretary.

APPENDIX 7.

Tenders by the Bombay Municipality.

20th February 1922.

T 115.

To,

The Municipal Commissioner, Bombay Municipality,

BOMBAY.

Sir,

I am directed by my Committee to invite your attention to the Notice for the supply of medicines and medical appliances to the different Municipal Departments which appeared on page 2, of the Bombay Chronicle dated the 17th instant. In para 8 of the said notice it has been stated that "any locally manufactured drugs such as liquors, liniments, extracts, tinctures, etc, will not be accepted by the Municipality". My Committee will feel obliged if you will inform them the reasons for these restrictions upon the "locally manufactured" products.

I beg etc.,

S, M. MUZUMDAR,

Ag. Secretary.

BOMBAY MUNICIPALITY.

No. H. 28 B. of 1921—1922.

13th March, 1922.

To,

S. M. Muzumdar Esquire, M. A. L. L. B.

Ag. Secretary, The Indian Merchants' Chamber & Bureau,

BOMBAY.

Gentleman,

In reply to your letter of the 20th ultimo, I have the honour to say that the clause in the notice objected to is a legacy of the past as it was first incorporated in this advertisement many years ago. It will be deleted from future advertisements, the form of which will be modified so as to suit the present conditions of the Indian market of high grade preparations and chemicals. I am obliged to you for bringing the point to my notice.

I have etc,

(Sd) Illegible.

Municipal Commissioner.

APPENDIX 8.

Simplification of Inland Statistics,

Very Urgent.

No. 4174-G.

Revenue Department, Secretariat, Fort,
BOMBAY.
Dated the 3rd March 1922.

To,

The Secretary, Indian Merchants' Chamber and Bureau,
BOMBAY.

Subject.—Simplification and improvement of Inland Statistics.

Sir,

I am directed by the Governor in Council to forward a copy of the letter from the Government of India, Department of Commerce, No. 729 dated the 6th February 1922, with its accompaniments, on the subject mentioned above, and to request that the Government of Bombay may be favoured very urgently with the views of your Chamber on the questions discussed in the letter.

I have etc.

S. R. DAWAR,

For Under Secretary to the Government of Bombay,
Revenue Department.

No. 729.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

Delhi, the 6th February 1922.

From

The Hon'ble Mr. H.A.F. Lindsay, C.B.E., I.C.S.,

Secretary to the Government of India,

To

The Secretary to the Government of Bombay, Revenue Department

Subject.—Simplification and improvement of Inland Trade Statistics.

Sir,

I am directed to address you on the subject of the continuance of the present Inland (rail and river borne) trade statistics.

2. For the purpose of registering inland trade, India is at

1.	Assam.	10.	Rajputana
2.	Bengal.	11.	Central India
3.	Bihar and Orissa.	12.	Nizam's territory.
4.	United Provinces.		
5.	Punjab.	13.	Mysore.
6.	Sind and British Baluchistan.	14.	Kashmir.
7.	Central Provinces and Birar.	15.	Calcutta.
8.	Bombay.	16.	Bombay Port
9.	Madras.	17.	Karachi.
		18.	Madras Ports.

present divided into the 18 principal blocks stated in the margin, and with the exception of Sind and British Baluchistan, each British province is sub-divided into minor internal blocks as shown in the enclosed list.

3. The actual registration is done by the different Railway Audit Offices which prepare from audited invoices quarterly returns of the trade carried on the railways and sections with which they are concerned. These returns reach the provincial compiling officers by a procedure which varies from province to province. Some Railway Audit offices submit their returns direct six weeks after the period to which they relate while others submit them five weeks late to the

Government Examiner of Accounts, Bombay Baroda and Central India Railway, who prepares consolidated returns from these registers and sends them to the compiling officers 17 days after the receipt of the return; that is to say, quarterly returns reach the provinces 59 days late even if they are submitted punctually.

4. From these returns, the provincial compiling authorities prepare quarterly statements showing (1) the trade of the province as a whole and its ports, if any, with other provinces and ports, (2) the trade of each internal block in the province with other provinces and ports, and (3) the trade of the internal blocks of the province with each other. The provincial officers prepare the first statement in manuscript for the Department of Statistics, and the other two statements for publication in their own provincial reports. After allowing time for the preparation of the returns in the provinces and their transmission to the Department of Statistics, it rarely happens that the returns are received by the Government of India less than three months late.

5. The first question on which the Government of India desire to obtain the views of local Governments is whether in their view the Inland Trade Statistics as at present compiled and published both for India and for the provinces serve any useful purpose. The all-India publication at present appears so late as to be of little practical utility, while the statistics it contains appear to cover more ground than is really required. It is very doubtful to what extent the commercial community benefit either by these or by the provincial volumes. The movements of staple commodities to and from the ports and other commercial centres are undoubtedly of interest to business-men; but to be of value the information must be published promptly and in clear and intelligible form. The value of the present publications to Government and to Government officers is also questionable. It is understood that information regarding the movement of food-grains between, or even within, provinces is useful in times of famine; but here also their value is discounted by delays in publication. The Government of India desire to know, therefore, in the first place, whether in the opinion of the Government of Bombay the all-India and provincial statistics of inland trade in

their present form are worth the cost involved in compiling them or whether they can safely be discontinued.

6. The second question is whether instead of entirely discontinuing the compilation of inland trade statistics, an attempt should be made to compile and publish them promptly and in simpler and more useful form. It may be possible to arrive at some arrangement whereby the inland trade movements of a few of the more important commodities will appear more punctually and at less expense. If the Government of Bombay consider that inland trade statistics should be retained in their own interests and those of the commerical community in improved form, their opinion is invited on the following suggested amendments to the existing system.

7. In the first place, the number of articles enumerated seems to be greater than is really necessary and it is suggested that in future inland trade statistics need only be published in respect of articles specified in the enclosed list. It is open to Local Governments, however, to suggest the inclusion of any additional commodities which they deem of sufficient importance to the general inland trade of India.

8. In the second place, it is suggested that minor internal blocks should be abandoned altogether. The new publication will then show only the trade between the 18 principal blocks specified above. It is open to Local Governments, however, to make out a case for the conversion of any of the existing minor blocks into a major block on the ground of its general importance to the trade of India as a whole. Conversely, it is suggested that the number of principal blocks might be simplified without detracting from the value of the returns. It is even possible, that information regarding inter-provincial movements of staple commodities serves no practical purpose; and that local Governments and the commercial community would be satisfied with statistics of the movements of such commodities to and from the principal ports and inland commercial centres of importance. If this view is accepted, the provincial volumes might be discarded altogether; and the all-India publication would merely show the trade in staple articles to and from commercial centres.

9. A third suggestion is that statistics of the values of articles enumerated in the inland trade statistics serve no useful purpose. If Local Governments agree in this view, a considerable saving in time, trouble and expense will be effected in restricting the returns to *quantities only and omitting all statement of values.*

10. Finally, it is proposed that instead of an annual return, the Director of Statistics should in future publish a monthly pamphlet of inland trade movements on the lines suggested above. Each issue will show not only the volume of trade during the month but also running totals from April. So that the twelfth issue will comprise the total trade of the financial year.

11. If these proposals find general approval, a considerable saving in the cost of compilation should be possible. Railway Audit Offices may be able to forward direct in future to the Director of Statistics the materials from which he will compile the monthly all-India volume now proposed. The Director of Statistics is taking up this question separately with the Railway Audit Offices. At the same time, it will still remain open to any Local Government to continue to secure direct from the Railway Audit Office concerned any further internal trade statistics not appearing in the all-India volume. For example, in times of famine or scarcity, a Local Government may desire to have detailed information regarding the movement of foodgrains, fodder, etc., which will not appear in the all-India returns. In this case it would be open to them to obtain the information by negotiation with the Railway Company or Companies concerned.

12. The internal trade reports at present include information regarding river as well as rail-borne trade. The former is at present registered between certain blocks (e. g. Bengal and Assam, Calcutta and Bihar and Orissa, Calcutta and the United Provinces, Assam and Bihar and Orissa, and the Punjab and Sind), and the results are combined with the respective provincial rail-borne trade statistics. The question of improving these river-borne statistics on the same lines both in respect of the articles enumerated and method of compilation, will be taken up on receipt of replies to this letter. If, however, the

Government of Bombay have any suggestions to offer on the subject, the Government of India will be glad to receive them.

13. I am directed to request that the Government of India may be favoured with the views of the Local Government, with special reference to the suggestions to abandon the provincial volumes, to produce instead a monthly all-India return, to confine the statistics to important trade centres, to omit values and to curtail the list of articles enumerated. I have etc.

H. A. F. LINDSAY.

Secretary to the Government of India.

British Provinces and Their Internal Trade Blocks.

Provinces.	*Internal Blocks.*
Bengal	Western Bengal.
	Eastern ,,
	Northern ,,
	Dacca.
	Chittagong Port.
	Calcutta.
Bombay Presidency... ...	Bombay Port.
	Gujarat and Kathiawar.
	Konkan.
	North Deccan.
	East ,,
	West ,,
	Southern Maratta Country
	Goa.

Provinces.	*Internal Blocks.*
Punjab	Delhi City.
	The rest of the Cis-Sutlej Territory.
	Territory between Sutlej and Jhelum.
	Territory between Jhelum and Indus.
	Territory Trans-Indus.
Sind and British Baluchistan ...	Karachi.
	Sind and British Baluchistan-Baluchistan excluding Karachi.
Assam	Upper Assam.
	Lower ,,
	Surma Valley.
Madras Presidency	Madras.
	French Ports.
	Other Sub-ports.
	Northern Circars.
	Deltas.
	Deccan Districts.
	North Carnatic.
	South ,,
	Central Districts.
	Southern ,,
	Western Coast.
	The hills.
Bihar and Orissa	Patna City.
	Bihar, excluding Patna City.
	Chota Nagpur.
	Orissa.

Provinces.	*Internal Blocks.*
C. P. and Berar	Jubbulpore.
	Nerbudda.
	Nimar.
	Nagpur.
	Chhattisgarh.
	Berar.
	Satpura.
U. P. of Agra and Oudh ...	Upper Doab.
	Middle ,,
	Lower ,,
	Bundelkhand.
	Cawnpore City.
	Benares.
	Gorakhpur.
	Rohilkhand.
	North Oudh.
	South ,,

Revised List of articles to be shown in the inland Trade Returns.

Coal and Coke.

Cotton-Raw, distinguishing

(1) Kapas.

(2) Pucca bales.

Cotton-Twist and yarn.

Cotton-Piecegoods.

Myrobalans.

Grain and Pulse, distinguishing.

1. Rice.
2. Wheat.
3. Other grain.
4. Flour.

Hides and Skins, Raw.

Jute, Raw distinguishing.

1. Loose.
2. Pucca bales.

Gunny bags and cloth.

Lac and Shellac.

Leather.

Manganese Ore.

Mica.

Oils. Distinguishing.

1. Vegetable oils.
2. Kerosene.

Oilcake.

Oilseeds, distinguishing only

1. Castor.
2. Copra.
3. Groundnuts.
4. Linseed.

Salt.

Saltpetre.

Sugar, distinguishing.

1. Gur, rab, jaggery, molasses.
2. Sugar.

Tea.

Tobacco-Raw.

Wood, distinguishing.

1. Teak.
2. Other timber.

Wool-Raw.

T. 213.

22nd March 1922.

To,

The Under Secretary to the Government of Bombay,

Revenue Department,

BOMBAY.

Sir,

With reference to your letter No. 4174-G, dated the 3rd instant regarding simplification and improvement of Inland Trade Statistics, I am directed by my Committee to say that they generally approve of the changes suggested in the Government of India letter enclosed with your letter under reply.

I beg etc.

S. M. MUZUMDAR,

Ag. Secretary.

APPENDIX 9.

Workmen's Compensation.

No. 10289.

General Department, Secretariat, Fort, Bombay,
Dated the 31st August 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau.
BOMBAY.

Sir,

I am directed by the Governor in Council to forward herewith 2 advance copies of the Government of India letter on the question of legislation for the provision of compensation to workmen for injuries received by them in the course of their employment. An official communication calling for the opinion of your Chamber will shortly issue.

I have etc.

S. N. ZIMAN.

Deputy Secretary to the Government of Bombay
General Department.

No. L.-859.

GOVERNMENT OF INDIA, INDUSTRIES DEPARTMENT.

From

The Hon'ble Mr. A. C. Chatterjee C.I.E., I.C.S.,
Secretary to the Government of India,

To

The Secretary to the Government of Bombay,
General Department.
Simla, the 29th July 1921.

Sir,

I am directed to state that the Government of India have had under consideration the question of legislation for the provision of compensation to workmen for injuries received by them in the course of their employment. The Government of India are of the opinion

that the time has now arrived for legislation with this object in view. There are indications of a considerable expansion in the near future in the number and size of industrial establishments. Moreover machinery and power are being employed in factories to a much larger extent than was the case before. Mines are being worked at greater depths and very often with power machinery. The transport industries are developing. Until recently there were practically no industries in India which could be reasonably described as "dangerous." It is probable, however, that the next few years will see the establishment of industries of this category, whilst increased complexity will tend to make existing industries more liable to personal risk. I am to forward for the consideration and criticism of the local $\frac{\text{Government}}{\text{Administration}}$ the provisional views of the Government of India with regard to the nature of the legislation that seems to be necessary.

I am to point out that according to item 26 (*g*), Part II of Shedule 1 of the Devolution Rules, the welfare of labour including provident funds, industrial insurance (general, health and accident), and housing, is subject to Indian legislation, and that the Government of India consider it desirable that compensation for injury throughout India should be carried out on uniform lines.

2. The Government of India are advised that, in a large class of cases, it is impossible for a workman, under the present law in India, to recover damages by suit from his employer for physical injuries sustained in the course of his employment. Under the Common Law of England a master is liable to his servants only for injuries caused by his own negligence. An employer is not liable for injuries caused by the negligence of a fellow-servant, and in most industrial establishments the negligence of other workmen is responsible for a large proportion of the accidents which overtake employees. In England, this disability was removed by the Employers' Liability Act of 1880 and the Workmen's Compensation Act of 1906 but the Government of India understand that the Common Law principle above stated would still be applied by the Civil Courts in India. The legal position of the workmen in India is therefore far less favourable than that of the workmen in England at the present time.

3. Apart from the position in common law, the ignorance of working men and their inability to undertake extensive litigation place them in a disadvantageous position in suits for compensation. For these reasons most civilized countries have found it necessary to pass statutes defining the compensation for physical disabilities arising in and out of the course of employment. These considerations apply with at least equal force in India, where the great majority of working men are still illiterate, and where few of them have the means necessary to institute and carry on suits for damages. It is true that some liberal-minded employers—and this includes the railway administrations do pay compensation on such occasions. But the amount paid is not based on uniform rules. In any case the Government of India feel that a matter which concerns the welfare of the working classes so closely cannot any longer be left to the uneven generosity of employers.

4. There is, however, room for considerable difference of opinion with regard to the actual limit of the protection that should be extended to workpeople in this respect. It would probably be wise to include in the Act a clause or clauses defining the liability of employers for accidents and removing any disabilities under which workmen suffer at present in this respect. These clauses could be made general in their application. They would merely make it possible for any person employed to sue his employer for compensation for injuries sustained in the course of, and as a result of, the employment, and might follow sections 1 and 2 of the English Employers' Liability Act of 1880 (see Appendix I). At the same time the necessity of proving negligence which these clauses enforce is now regarded by many as inequitable, and in framing legislation for this country it might be wise to dispense with this feature of the English Act quoted. In all recent legislation of this type, it is unnecessary to prove negligence in order to establish a claim for compensation.

5. The main portion of the Act should of course deal with compensatory benefits. The Government of India think that these benefits should be limited to industrial workers and that it is not at present practicable to extend their application to agricultural workers or to domestic servants. I am to suggest that the classes to be covered

by the main provisions of the Act should be workers in factories, mines and in transportation services, *e.g.*, on railways, on ships and in docks. It is in such occupations that accidents are most numerous, and the figures given in Appendix II afford a strong argument for the inclusion of those branches of industry to which they relate. As the proposed legislation, by its very nature, will be designed to give the working classes some form of insurance against disability it is desirable to confine its operation to those who are unable, by reason of the smallness of their earnings, to make provision for incapacity resulting from accidents, or to provide for their dependents in the case of their death. This is effected in England and elsewhere by a provision that the Act shall not apply to persons in receipt of salaries higher than a certain fixed limit. The Government of India consider, however, that it would be preferable to avoid such a monetary limit by defining accurately the classes to which the Act should apply. Thus it might apply to manual workers only, except on railways, where it will probably be necessary to widen the definition so as to include, at least, the whole of the running staff.

6. In respect of factories it will probably be necessary to adopt a definition of factory differing from that used in the present Factories Act and from that inserted in the amending Bill now before the Legislature. Both these definitions are elastic, *i.e.*, they make it possible for an industrial establishment to be brought within the definition by executive order. The considerations that justify bringing a factory under the Factories Act may be quite different from those that justify the application of a Workmen's Compensation Act to that factory, and the opposition of small factory owners to the inclusion of their establishments within the Factories Act would be greatly strengthened if such inclusion involved also increased liability for compensation to their employees. I am to suggest that the Act should apply—

(1) to all industrial establishments using mechanical power,

(2) to all industrial establishments which carry on work of a hazardous nature (*e.g.*, those involving processes dangerous to health) whether they use mechanical power or not.

7. Another question of some difficulty is whether the Act should be extended to seamen. Two classes of seamen require consideration, namely, those serving on ocean-going vessels and those serving on vessels plying on inland waters. With regard to the former, it should be remembered that Indian seamen serving on ships registered in the United Kingdom already receive the benefit of the British Workmen's Compensation Act, 1906, and the Government of India believe that there are very few ships plying in Indian waters which are registered in India. From the returns collected from ports of registry in 1915 it appears that in that year, with the exception of 10 small steamships with an aggregate tonnage of less than 2,500 tons, the only ships registered in India under Act X of 1841 were sailing ships. It is possible that employment on a sailing ship might reasonably be held to come within the second of the two criteria suggested in the preceding paragragh of this letter, and if it be practicable to apply the Act such sailors should be protected. But the Government of India are inclined to doubt whether the Act should be applied to seamen serving on sailing ships. Many of these ships are very small (the average tonnage of the 727 ships registered in 1915 being less than 100 tons) and it is probable that many of them are mere fishing craft. If sailing vessels are excluded, only seamen serving on the few steamships registered under Act X of 1841 will be eligible for the Act, unless indeed the Act is applied to service on the numerous tugs, motor-boats and steam launches which ply in ports and harbours. It will be seen that the question is one which will largely turn on the experience of maritime Local Governments. Similar difficulties arise in respect of seamen serving on inland water vessels. It will generally be held impracticable, it is thought, to apply the Act to service on the small country boats, lighters and sailing craft, which ply on inland waters, and if the Act is applied at all to inland seamen, it is thought that it should be applied only to service on vessels coming within the operation of the Inland Steam Vessels Act. The difficulty here is that the expression "Inland steam vessel" covers so large a variety of ships. It includes steam vessels of all types from small electric launches and motor vessels to the large steamers which ply on the Irrawaddy and the Ganges.

8. The list of occupations given in the preceding paragraphs might be enlarged with advantage. Possible additions are the building trades and telegraph aud telephone services. It is desirable, too, to include all persons engaged in dangerous or unhealthy occupations which do not come under the classes named above. I am to invite the particular attention of the local $\frac{\text{Government}}{\text{Administration}}$ to the question of the classes to be included and of their definition.

9. I am now to deal with the question of the conditions which should govern the grant of compensation. The English Act includes "personal injury by accident arising out of and in the course of employment." It also includes diseases "due to the nature of" the employment and specified in a schedule. The phrase "arising out of and in the course of employment" has been copied in a large number of Dominion and American Acts. It has given rise to an unusual amount of litigation in England and elsewhere. But a departmental committee which met in England in 1920 to consider possible improvements in the English Act and system, was opposed to any alteration in the phrasing of the Act in this respect. The meaning of the phrases quoted above has been made clear by a large body of case law and the Government of India think that it will be difficult to adopt a different phraseology in the Indian enactment. As regards exceptions, these should, of course, include intentional injury. They might also include injuries due to the "serious and wilful misconduct of the employee", as in England and elsewhere, and injuries resulting from intoxication. But as the multiplication of exceptions involves an increase of litigation to the disadvantage of the employee, the Government of India think that the exceptions should be as few as possible. I am to invite the opinion of the local Government on this question.

10. The Act should apply in the case of fatal injuries, and all injuries that are not trivial. The definition of these might follow the definition of grievous hurt in the Indian Penal Code. This would have to be supplemented by the inclusion of diseases and injuries which involve no definite period of complete incapacity but which result in permanent partial disablement (*e.g.* Hernia).

11. The Government of India think that the whole of the cost,

for the time being at any rate, must fall on the employer. The only alternative to this is a contributory system of State insurance similar to those adopted in certain continental countries, and this is at present out of the question in India. It will be necessary to prohibit "contracting out" (*i.e.*, the practice by which workmen can contract themselves out of the benefits of the Act). There appears to be no sound reason for preventing the employers from insuring their risks. It is true that if insurance were prohibited, employers would be much more careful to prevent accidents than if they paid a flat rate to an insurance company. But insurance companies will naturally scrutinize the safety precautions before granting policies, and a serious accident, if uninsured, might prove the ruin of a small employer.

12. The question of the scale on which compensation should be paid is one of considerable difficulty. In some of the existing Acts in other countries, *e.g.*, Great Britain, the scale of compensation has a considerable measure of elasticity. A fairly wide discretion is left to the adjudicating authority to adjust the compensation in any particular case to the merits of the case. In other Acts, and more especially those in force in the majority of the United States of America the scale is as rigid as possible. The compensation payable depends strictly upon the injuries received and on the wages of the man injured, and an attempt is usually made to prescribe for the commoner injuries fixed amounts of compensation which cannot be varied in any circumstances. With an elastic scale of compensation it is possible for the competent authority to consider the circumstances of any particular case and to fix the compensation with regard to the merits and needs of that case. It is obvious that similar injuries do not always involve similar loss or hardship, *e.g.*, the loss of a left hand might render one man quite unable to pursue the occupation he had previously followed whereas to another it might mean little more than personal inconvenience. Also with an elastic scale the deciding authority can have regard to various factors such as the age and circumstances of the person injured, or his share in the responsibility for the accident. But the Government of India think that these advantages are more than outweighed by the disadvantages attaching to an elastic scale. Such a scale acts as a direct incitement to discord and litigation.

It diminishes very greatly the sense of security which it is one of the main objects of the Act to create. And the divergencies which are bound to occur between case and case and between tribunal and tribunal would give rise to bitterness of feeling among both parties and to distrust of the administering authority. A rigid scale will often act arbitrarily. But it enables each party to determine, in the great majority of cases, without reference to any authority, the compensation which is due and is thus likely to act more smoothly and more economically. The Government of India think that these considerations have special force in India where few working men have the knowledge or the resources required to contest disputes. If this conclusion is accepted, an endeavour should be made to frame fair and equitable schedules. In the following paragraphs a suggested scale is outlined, and I am to invite the criticisms of the local $\frac{\text{Government}}{\text{Administration}}$ on it.

13. Schedules of compensation are almost invariably based upon the wages received by the injured man at or shortly before the time of the injury. Such a basis automatically provides the adjustments necessary to make the compensation payable suit the circumstances of the persons to be compensated. Experience has shown, moreover, that even in countries where customs and conditions favour the profitable investment of savings, a greater economic benefit results from a continuing series of payments than is provided by the award of lump sums. Compensation should therefore take the form of a series of periodical payments based upon the wages received by the person injured and determined by the injuries sustained.

14. The object of an Act of the type contemplated is not so much the provision of facilities for the recovery of damages due for a civil injury as the mitigation of the hardship resulting from disablement in industries. Compensation therefore should be, and in other countries usually is, regulated by the above principle. Consequently, in determining the compensation that should be paid for fatal accidents the chief factor is the number and relationships of the dependents of the deceased person. I am to suggest that, in such cases, compensation should take the form of (*a*) a specified sum, *e.g.*,

two months' wages, to cover the funeral expenses of the deceased with (*b*) in cases where dependents survive, the payment for a specified and uniform period of a percentage of the deceased's wages regulated by the dependents surviving. It will probably be wise to limit the dependents to widows, legitimate children and parents, as the introduction of other relatives would certainly lead to fraudulent claims and numerous disputes. Children might be defined as persons under the age of 15 years, which it is now proposed to adopt as the upper limit of age for children under the Factories Act. As regards the period of payment the Government of India consider that 5 years would be suitable. A table of percentages fixed according to dependents will be found in Schedule I. To take an example, if the above suggestions are adopted and a man is killed leaving a widow and two children of 9 and 12 years, the widow will receive a lump sum equivalent to two months of her husband's wages together with a regular payment equivalent to 45 per cent. of the husband's wages until the elder child reaches 15 years of age. Thereafter the regular payment will be 40 per cent. of the deceased's wages until 5 years have passed since the date of his death. Where death occurs a long time after the accident which caused it, it will probably be necessary to make some allowance for compensation for disability already paid, by shortening the period during which compensation for death is payable.

15. In the case of disability, the Government of India propose to follow a large number of American Acts and to allow a fixed percentage of wages for a specified period. For total disability I am to suggest that half wages should be paid during the continuance of such disability subject to a maximum of 8 years. The payment for permanent total disability would thus be greater than the maximum possible amount payable for a fatal accident. But there is obviously nothing illogical in this, and, indeed, it may be questioned if the payment proposed should not be enhanced where the disability is such that the injured man requires an attendant, *e.g.*, in the case of complete loss of eyesight. Payment for partial disability should be so fixed as to bear a proportion to the payment for total disability similar to the ratio between the loss of earning capacity in the two cases. Where the injury is of a clearly defined type, *e.g.*, the loss of a

limb, it is not difficult to fix by schedule the amount of compensation payable. Logically, this should take the form of a payment based on the payment for total disability and representing a percentage of it, and continuing for the full period (a period of 8 years is suggested) during which payment is to be made for total disability. It has been found preferable in practice to express it rather in the form of the same periodical sum as that paid for total disability, but to reduce the period to suit the injury. To take an example, the loss of an arm may be regarded as giving rise to a 50 per cent. disability, *i.e.*, it is supposed to reduce the wage earning capacity of the average worker by 50 per cent. The compensation payable for complete permanent disability is 50 per cent. of wages for 8 years. The compensation payable for the loss of an arm should therefore be 25 per cent. of wages for 8 years. But it is more convenient to express this as 50 per cent. of wages for 4 years. Such a method avoids the introduction of a series of trifling payments over a long period and is in the nature of a compromise between that system and the payment of a lump sum. In the case of an injury regarded as creating a 5 per cent. disability it would obviously be most inconvenient to prescribe payment of 2½ per cent. of wages regularly for eight years and it is much simpler to pay 50 per cent. of wages for a few months, and quite as equitable. In Schedule II attached to this letter a table of periods for specific injuries is given. The period shown opposite any particular injury is the period for which it is proposed to prescribe the payment of half wages on account of that injury.

16. It is obviously impossible to bring all injuries within such a schedule. For injuries not falling within this schedule, payment should be based on the same principle, *i.e.*, the competent authority should determine the percentage of wage-earning capacity lost and express the compensation as a similar percentage of the compensation payable for complete permanent disability. In most of the cases now contemplated it will not be possible to allow for the comparative loss sustained by varying the period instead of the amounts of the payments for it will frequently be difficult to determine at once whether the injury is likely to be permanent or not. Power might be given to the competent authority to express the compensation in larger sums over a shorter period where—

(*a*) the parties agree to this course, or

(*b*) it is proved that the injury is permanent. In this connection the possibility of varying the amount of compensation on account of subsequent increase or decrease in earning capacity due to the development of the injury should also be borne in mind.

17 The case of injuries to minors requires consideration. Where a child is totally disabled owing to a factory accident, the loss sustained is more serious than that caused by a similar accident to an older employee. But if compensation were paid on the scale suggested above, the amount payable would be very small, and in most cases insufficient even for bare subsistence. I am to suggest therefore that compensation for injuries to minors should be fixed on a scale based on full wages and not on half wages, *i.e.*, that it should be double the corresponding compensation for adults. Compensation to dependents on the other hand might be given in the case of adults only.

18. The possibility of requiring employers to provide medical and surgical aid in the case of accidents should also be considered. Some of the statutes in force in other countries secure for the workmen free medical and surgical attendance during disability. The choice of the medical attendant in such cases usually rests with the employer, and a clause is sometimes added by which the employee is deprived of all compensation if he refuses or wilfully neglects to take advantage of the facilities provided by the employer. It is obviously in the employer's interest that injured workmen should receive the best medical care that can be provided; in many cases prompt medical attendance reduces very greatly the effects of an accident that would otherwise produce serious and lasting effects. It is clear that the choice of the medical attendant cannot be left to the employee if it is the employer who has to pay. Quite apart from the grave administrative difficulties that are involved in such an arrangement, it is inequitable that an employer should be asked to provide payment for treatment which he is powerless to control and which might result in increasing the bill he has to pay for compensation. To compel

employers to provide medical attendance would probably excite considerable opposition, not only from the smaller employers, whose expenses would be extremely heavy, but also from a considerable proportion of employees, who would object to undergoing the treatment prescribed. At the same time the Government of India think that it is desirable that employers who are willing to provide medical attendance should be encouraged to do so, and that it is unreasonable to ask an employer to pay compensation for results which medical attention could have prevented, when he was anxious to supply that attention. I am therefore to suggest that where an employer offers to provide free qualified medical and surgical attention and that offer is not accepted, the employee should be debarred from claiming any compensation. Many leading employers already provide free medical aid. This proposal should encourage others to follow their example and should also minimize the injuries resulting from accidents.

19. There remains lastly the question of the administration of the Act. However well-constructed the Statute may be there will be many cases that cannot be settled without reference to some tribunal. And it will be necessary to set up and maintain machinery for enforcing the Act. In England both these functions are exercised by the ordinary Civil Courts, elsewhere it is more usual to have a special authority. There are two distinct advantages in making use of existing Courts. In the first place, the questions of law arising out of an Act of this type are frequently intricate, and it is essential that the deciding authority should have some judicial experience. Secondly, it is important that workmen making claims for compensation should not be compelled to travel long distances to place their cases before the tribunal concerned; and it is clearly impossible for Government to set up even one special tribunal in every district. On the other hand, procedure in the Civil Courts is both intricate and expensive, and, under ordinary conditions, it might happen that many working men who were entitled to compensation would find themselves unable to face the litigation involved. Even when they had obtained a decree they might be unable to enforce it, as it would obviously be unprofitable to institute a series of execution

proceedings for small weekly payments against their employer if he paid irregularly or refused to pay. So that, if the Civil Courts were entrusted with the decision of the cases, it will probably be essential to adopt some simpler form of procedure than that used for ordinary cases. It may be necessary to grant summary powers and to limit the jurisdiction to Judges of status not lower than that of a District Judge. It may also be desirable to follow the English law in regard to declaring that decisions on facts given by the original court will be final, and that a right of appeal will lie only on questions of law.

20. Another alternative to the decision of the cases by the Civil Courts or by special tribunals is the entrusting of these cases to Magistrates or to Revenue Officers. Some such procedure as that at present in use in maintenance cases under the Criminal Procedure Code might be adopted, though it would, of course, be made clear that proceedings under a Workmen's Compensation Act had nothing of a criminal nature, and the procedure to be followed should be specially laid down in the Act. The objection to this course is that the points of law involved will often be difficult, and it is undesirable that officers of the standing of Magistrates should be entrusted with suits that may involve considerable sums of money. In view of these objections, the Government of India are not disposed at present to adopt this alternative. In very large industrial centres it may, however, be necessary to have full-time tribunals and the presiding officers could then be specially selected.

21. It may be necessary to provide for the imposition of special penalties where an employer has deliberately evaded his liabilities under the Act. Such fines would be imposed only in clear cases, *i.e.*, where compensation was manifestly due and where the employer had declined to pay it until a case was brought in court, or where an employer who had admitted a claim for compensation had withheld regular payment. In all probability it will seldom be necessary to impose such penalties, but their existence will be a most valuable deterrent to litigation, and to evasion of the Act. Such penalties would be imposed by the tribunal awarding compensation or executing an order for compensation.

22. To sum up, the Government of India request the views of local Governments / Administrations on the following points:—

(1) Is it desirable to affirm in general terms the principle of employers' liability? (2) If so, should the necessary legislation follow the English Employers Liability Act of 1880 and the Workmen's Compensation Act of 1906? (3) Should there be provision for compensatory benefits and should this be limited to industrial workers? (4) What provisions should regulate the inclusion of workers in—(*a*) Factories, (*b*) Mines, (*c*) Railways, (*d*) Ships, (*e*) Docks? (5) Is the principle of limitation to manual workers as a general rule approved? (6) Should the compensatory provisions cover—(*a*) Building trades, (*b*) Telegraph, and telephone services? (7) What further classes should be included; are there any dangerous or unhealthy trades for which provision should be specially made? (8) What should be the necessary circumstances antecedent to the injury to bring it within the scope of the Act? (9) What exceptions should be made in this connection? (10) For what injuries should compensation be provided? (11) How should the cost of compensation be met? (12) What type of scales should be adopted for compensation? (13) Should the award of lump sums be avoided? (14) Are the scales suggested suitable? (15) Is the principle of special scales for minors approved? (16) Should refusal to receive medical attention debar an employee from claiming compensation? (17) How should the Act be administered? (18) Should special penalties be provided for deliberate evasion of the Act?

The above questions are not intended to be exhaustive and the Government of India will welcome all suggestions and criticisms. They desire that this letter should receive wide publicity and that ample opportunity should be given to employers and employed for

expressing their opinions before the views of the local Governments / Administrations are formulated. At the same time I am to say that the Government of India consider that legislation on this subject should be introduced not later than the early spring of 1922, and I am to request that a reply may be sent before the end of October 1921.

I have etc.,

A. C. CHATTERJEE,

Secretary to the Government of India.

APPENDIX I. (PARAGRAPH 4).

Extracts from employers' Liability Act, 1880,

Section 1.—Where *after the commencement of this Act* personal injury is caused to a workman—

(1) by reason of any defect in the condition of the ways, works, machinery, or plant connected with or used in the business of the employer; or (2) by reason of the negligence of any person in the service of the employer who has any superintendence entrusted to him whilst in the exercise of such superintendence; or (3) by reason of the negligence of any person in the service of the employer to whose orders or directions the workman at the time of the injury was bound to conform, and did conform, where such injury resulted from his having so conformed; or (4) by reason of the act or omission of any person in the service of the employer, done or made in obedience to the rules or bye-laws of the employer, or in obedience to particular instructions given by any person delegated with the authority of the employer in that behalf; or (5) by reason of the negligence of any person in the service of the employer who has the charge or control of any signal, points, locomotive engine, or train upon a railway,

the workmen, or in case the injury results in death, the legal personal representatives of the workman, and any persons entitled in case of death, shall have the same right of compensation and remedies against the employer as if the workman had not been a workman of nor in the service of the employer, nor engaged in his work.

Section 2.—A workman shall not be entitled under this Act to any right of compensation or remedy against the employer in any of the following cases; that is to say,—

(1) Under sub-section 1 of section 1, unless the defect therein mentioned arose from, or had not been discovered or remedied owing to the negligence of the employer, or of some person in the service of the employer, and entrusted by him with the duty of seeing that the ways, works, machinery, or plant were in proper condition. (2) Under sub-section 4 of section 1, unless the injury resulted from some impropriety or defect in the rules, bye-laws or instructions therein mentioned; provided that where a rule or bye-law has been approved or has been accepted as a proper rule or bye-law by one of Her majesty's Principal Secretaries of State, or by the Board of Trade, or by virtue of any Act of Parliament, it shall not be deemed for the purposes of this Act to be an improper or defective rule or bye-law. (3) In any case where the workman knew of the defect or negligence which caused his injury, and failed within a reasonable time to give, or cause to be given, information thereof to the employer or some person superior to himself in the service of the employer, unless he was aware that the employer or such superior already knew of the said defect or negligence.

APPENDIX II (PARAGRAPH 5).

Persons injured in industrial accidents, 1915—1919.

Year	Fatal.				Serious.				Minor.*
	Mines.	Railways.	Factories.	Total.	Mines.	Railways.	Factories.	Total.	Factories only.
1915 ...	188	19	115	322	272	109	923	1,304	4,414
1916 ...	206	23	169	398	297	138	1,098	1,533	3,956
1917 ...	201	40	144	385	305	206	887	1,398	3,961
1918 ...	243	23	180	446	322	150	1,108	1,580	3,775
1919 ...	312	49	145	506	372	223	957	1,552	4,321

* Minor accidents are for factories only. Details are not kept in the case of Railways and Mines.

SCHEDULE I (Paragraph 14).

Proposed percentage of wages as determined by surviving dependents.

Dependents.	Percentage.
Widow	30
Widow and 1 child	40
Widow and 2 children	45
Widow and 3 or more children	50
Children of widow or widower killed { 1 child ...	15
Children of widow or widower killed { 2 children	25
Children of widow or widower killed { more then 2 children	30
Parents, each	10

Provided that payment to parents shall not be greater than the difference between payments to other dependents and 50 per cent.

SCHEDULE II (Paragraph 15).

Periods for which the payments of half wages for certain specified injuries is proposed.

Specified injury.	Period of payments.
Loss of—	Months.
Arm above elbow	48
Arm below elbow	42
Thumb	12
Phalanx do.	9
Index finger	9
2 Phalanxes do.	7
1 phalanx do.	5
Other fingers	4
2 phalanxes do.	3
Leg above knee —	42
Leg below knee	36
All toes	12
Great toe	4
Sight of one eye	24
Hearing of one ear	12
Hearing of both ears	36

No. 264-D.

General Department. Secretariat, Fort, Bombay,
Dated the 3rd October 1921.

To

The Secretary, The Indian Merchants' Chamber and Bureau,
BOMBAY.

Subject :—Legislation for the provision of Workmen's compensation for injuries received by them in the course of their employment.

Sir,

I am directed by the Governor in Council to forward herewith a copy of this Government Order No. 264, dated the 12th September

1921 and accompaniments regarding legislation for the provision of compensation of workmen for injuries received by them in the course of their employment and to request that you will be so good as to favour Government with the opinion of your Chamber on the questions raised in the Government of India's letter by the 31st October, especially on those with which your Chamber is concerned. I have etc.

S. N. ZIMAN
Deputy Secretary to the Government of Bombay,
General Department.

Labour.

Legislation for the provision of compensation to workmen for injuries received by them in the course of their employment.

GOVERNMENT OF BOMBAY.
General Department.

Order no. 264.

Secretariat, Fort, Bombay. Dated the 12th September 1921.

*Letter from the Government of India, no. L.—859, dated the 19th July 1921.

Order.—Copies of the letter from the Government of India and accompaniments and of the note* prepared by the Director, Labour Office, on Workmen's Compensation Acts should be forwarded to the Honourable the Chief Justice and Judges of His Majesty's High Court of Judicature, Bombay, the Remembrancer of Legal Affairs, the Commissioners of Divisions, the Commissioner in Sind, the Collector of Bombay, the Director of Industries, the Millowners Association, Bombay, the Indian Merchants' Chamber and Bureau, Bombay, the Chambers of Commerce, Bombay and Karachi, the European Textile Association, the Social Service League, the Trades Union Congress and the Kamgar Hitwardhak Sabha, and they should be requested to favour Government with their opinion in general on the provisional views of the Government of India with regard to the proposed legislation, and in particular on each point referred to in paragraph 22 of the letter.

2. The Agents, B. B. and C. I. and G. I. P. Railways, the Bombay Engineering Employers Association, the Chairmen, Bombay

* Appended.

and Karachi Port Trusts, the Shipping Master, Bombay, and the Superintendent of Telegraphs, Bombay Circle, should be requested to favour Government with their views on the proposals as far as they would affect workmen of the special occupations concerned. The Revenue, the Public Works and the Home Departments should be requested to offer their remarks on the reports submitted by their officers, who should all be requested to submit their replies by the 31st of October 1921.

3. A copy of the letter should also be forwarded to the Director of Information, and he should be requested to give wide publicity to it as desired by the Government of India. The letter from the Government of India has been published† in the *Bombay Government Gazette*.

By order of the Governer in Council
S. N. ZIMAN,
Deputy Secretary to Government.

Accompaniment to Government Order, General Department, no. 264, dated the 12th September 1921.

Workmen's Compensation Acts.

India alone of the chief industrial countries of the world has no Workmen's Compensation Act. The United Kingdom, the United States, France, Germany, Belgium, Japan, Switzerland and Italy have legislation providing for compensation to workmen disabled in the course of their work. Germany passed legislation as far back as 1884, the United Kingdom in 1897, France and Italy in 1898, the United States in 1908, Japan in 1911 and Switzerland in 1912. The Dominions (South Africa, Australia, New Zealand, Canada) have also legislation of this nature. In some cases such legislation is federal or imperial; in others provincial. *e-g.* in Australia and Canada. These Acts do not imply a fault on the part of any individual and provide for compensation for death or injury in the case of accidents occurring in the course of the worker's employment so that ensuing hardships are minimised to the sufferer and his dependents.

2. *Scope of the Acts: (1) Industries and Occupations.*—Workmen's Compensation Acts do not cover all industries, although there are a

few which do embrace all industrial employment. As a general rule, factories, mines, railways, building and engineering works are included. In some countries agriculture, navigation, and domestic service are included. The English Act of 1907 covers "any employment" the French Act and the Acts of several American States include almost all industries. Most of the State laws of the United States, however, cover occupations other than agriculture and domestic service, and some apply to certain specified or scheduled "hazardous employments". One American State Act details 450 such employments.

3. *Scope of the Act : (2) Persons.*—The class of persons who come within the purview of the Acts varies in different countries. In some countries, such as Germany, Italy, and Holland only manual labourers and in some cases overseers are ordinarily covered by the Acts. Non-salaried employees, in other words, are entitled to benefit. In the British Empire, in the States of the American Union and in France salaried emplyees are with certain reservations included. In the English Act those who not being manual labourers earn more than £250 per annum are excluded. A Committee appointed to examine the English Act have proposed in 1920 that several new classes of workers should be included, in addition to the 15 million workers already within the scheme. These include non-manual workers whose rate of remuneration does not exceed £350 per annum as against £250 the present maximum. It is not unusual to prescribe a maximum limit of earnings beyond which employees are excluded, *e.g.* the Acts of New Zealand and Germany.

4. *The Amount of Compensation.*—The most general principle is to fix compensation based on the worker's earnings. Only in a few cases is a rate fixed regardless of individual earnings. In fatal cases the compensation to be paid to those wholly dependent on the deceased is frequently limited to three years' wages with minimum and maximum limits. It is unnecessary in this connexion to instance British Empire legislation and that in some of the American States. Where there is a widow and dependent children pensions usually range from one-half to two-thirds of the wages of the deceased, with of course a maximum limit. The widow's pension alone amounts to 20 per cent.

and there are additional allowances for each child. The Committee on the English Act recommended (1) £250 for a widow, and a weekly allowance of 10s. for the first child under 15, 7s. 6*d.* for the second; and 6s. for every other child; (2) where other total dependents are left excluding those in (1) £250. Funeral and medical expenses the Committee proposed should be increased to £15. In cases of total disablement, a periodical payment based on average earnings, one-half or three-fifths (in some cases with a maximum limit) is fixed in the vast majority of countries. Payments are made as a general rule throughout the life of the disabled worker. The Italian Act provides for a payment equal to six years' wages and the Spanish Act to three years' earnings. In some of the American State laws payments are limited from four to ten years. In cases of *temporary* total disablement it is customary in many countries to pay the same as for total disablement although in some, *e.g.*, France one-half instead of two-thirds is payable. The Committee on the English Act recommends in the case of total disablement two-thirds of the average weekly earnings, with a maximum of £3 a week. For partial disablement compensation is in most countries determined by loss of earning capacity. In this connection the Committee on the English Act recommend two thirds of the difference between the average weekly earnings before and after the accident. It is not unusual also to limit the period of payment for injuries specified in the Act. Two-thirds for example of the average weekly earnings are paid in the New York Law for a period of from 15 weeks for a loss of a fourth finger to 244 weeks for a hand and 312 weeks for an arm. In many countries medical treatment is provided in addition to these payments.

5. *Compulsory and Non-Compulsory Insurance.*—Many countries make insurance on the part of employers compulsory as security for payments. In some countries, however, for example France, insurance is voluntary. In all but eight European countries and two American States (where employees contribute part of the expense) the whole burden of compensation rests upon the employers. In some countries there is a State insurance fund. In New Zealand provision is made by the Government Accident Insurance Act, 1908, and by a State Department which insures employers against risk. There are also

private insurance companies which undertake these risks and are regulated to some extent by the Accident Insurance Companies Act, 1908. The Committee on the English Act referred to above were not in favour of a system of State insurance. The Committee recommended (1) State supervision of rates of premium of insurance companies with a view to the restriction of their expenses and profits in workmen's compensation business; not more than 30 per cent of the premium income to be expended in profits, management expenses, and payments for commission to agents, the latter not to exceed 5 per cent. of the premium and the maximum rates to be approved or fixed by a Government Official; (2) mutual associations to be placed under the same obligations as insurance companies as to (1) setting aside funds to meet liabilities and (2) furnishing returns; (3) every employer other than Government, a local or other public authority, a statutory company, or a house-holder in respect of servants not employed by him for the purpose of his trade or business, and, under certain circumstances, firms whose pay roll for three years averages over £20,000 and who are "self-insurers"—to insure against workmen's compensation risks.

6. The English Act and other Acts such as those of the States of the Australian Commonwealth, New Zealand, and recent Acts, *e. g.*, those of Brazil (1919), etc., may be seen at the Bombay Labour Office.

No. T 214.

22nd March 1922,

To

The Deputy Secretary to the Government of Bombay,
General Department,
BOMBAY.

Sir,

With reference to your letter No. 264-D, dated 3rd October 1921, regarding legislation for the provision of Workmen's Compensation for injuries received by them in the course of their employment, I am directed by my Committee to express their views as follows :—

My Committee would, in the first place, very much like to know whether the idea of legislation for compensation to workmen was suggested to the Government of India by cases in which well-deserve

compensation was refused by the employers of labour in India. The general impression of my Committee is that even without any legislation in the matter, employers of labour in this country generally have been granting fairly reasonable compensation to disabled workmen. My Committee do not of course wish to be understood that they are against such legislation for the benefit of workmen, but they would be interested to know if the Government have any statistics to show that reasonable compensation was refused in a large number of cases. They feel that legislation in such matters has a tendency to be in-elastic and hard and fast, and so may go against the best interests of those for whose benefit it is meant. An employer compelled by legislation may often do less for the employee than what he would voluntarily.

Subject to this note of caution, my Committee are generally in favour of the principle of legal recognition of employers' liability to workmen, and of the views expressed in the Government of India letter No. L-859 of 27-7-1921. Apended is a list of answers to the questions in para 22 of the said letter of the Government of India.

In conclusion, my Committee would like to add that they are strongly opposed to the establishment of new courts or tribunals for the administration of any legislation in the matter. The existing courts should be quite sufficient to undertake this work. Realising that this legislation is for the relief of distress, in many cases of acute distress, it should not be difficult to make the procedure and the details for the administration of the law in the matter perfectly simple and clear. The technicalities of the ordinary law-court procedure should not be the ground for the creation of fresh Tribunals, especially in view of the acute financial difficulties of the Imperial and Provincial Governments at present.

I beg etc.

S. M. MUZUMDAR
Ag. Secretary

List of answers to questions referred to in the letter

1. Should employers' liability be affirmed? Yes.

2 Should the necessary legislation follow the English Employers Liability Act of 1880 and the Workmen's Compensation Act of 1906?

The broad principles underlying English legislation should be adopted with such modifications as may be necessary in the special circumstances of India.

3. Should there be provision for compensatory benefits and should this be limited to Industrial workers? Yes. For the present the benefits may be confined to industrial workers alone.

4. Provision for the inclusion of workers:- My committee consider that legislation should be confined to all employees who are employed on a daily wages basis and whose monthly earnings are less than Rs- 100/-.

5. Limitation to manual workers:—Yes, for the present.

6. Compensatory provisions for (*a*) building trades, (*b*) telegraph and telephone services:—Yes.

7. Other trades:—My Committee think that all trades which involve the use of lead, phosphorous or arsenic should be included. The well organised tea and coffee and indigo industries should also be included.

8. Circumstances antecedent to injury:—Compensation should be allowed only in respect of injuries sustained in the ordinary course of the employees' employment and during the period in respect of which he is paid wages.

9. Exceptions:—(*a*) injuries incurred as a result of wilful misconduct or intoxication or as the English Law says "contributory negligence."

10. What injuries should be compensated? Injuries involving medical attention and dis-ablement for at least a week.

11. Cost of compensation:—The cost of compensation should be borne by the employer subject to his right of insuring the risk.

12. Scale of compensation:—Rigid scale of the nature suggested in the Government of India's letter should be professed, but reasonable discretion should be allowed to the presiding courts in exceptional circumstances. The scale given in the appendix to the Government of India's letter should be looked upon as a minimum but discretion may be allowed to award any higher sum.

13. Award of lump sums :—My committee are strongly opposed to such awards, because they entail undue hardship to the employer and further because the labourer is very likely to spend the whole amount in a very short time.

14. Suitability of suggested scales :—The scales proposed in schedules I and II have the general approval of my committee.

15. Special scales to minors :—The principle is approved.

16. Should refusal of medical attention debar compensation? Refusal to receive medical attention, provided by the employer, should not debar an employee from claiming compensation. It should not be supposed that the employee would not take advantage of the medical facilities provided, if they were reasonable.

17. Administration of the Act :—The existing Court (District as well as Magisterial) should be quite sufficient for the administration of the Act. The law must be simple and clear and care should be taken that the procedure involved is not unduly involved and technical.

18. Special penalties for deliberate evasion :—My committee are of opinion that such penalties may be laid down though they do not think there would be many occasions to impose them.

APPENDIX 10.

Public Employment Agencies

No. 1068-D.

General Department Secretariat, Fort, Bombay,

Dated the 26th October 1921.

To,

The Secretary, the Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I am directed by the Governor in Council to forward herewith a copy of this Government Resolution No. 1068 dated the 26th October 1921, and accompaniments, regarding the Draft Conventions and Recommendations of the Labour Conference, Washington, on Public

Employment Agencies, and to request that you will be so good as to favour Government through the Director, Labour Office, with the opinion of your Chamber on the suggestions made in the Government of India's letter by the 10th of December 1921. I have etc.

S. N. ZIMAN,

Deputy Secretary to the Government of Bombay, General Department.

Labour Conference, Washington.—

Draft Conventions and Recommendations.
Public Employment Agencies.

Government of Bombay General Department Resolution No. 1068 Secretariat, Fort, Bombay, Dated the 26th October 1921.

Letter* from the Government of India, Department of Industries, No. L.—927, dated 30th September 1921.

RESOLUTION.—Copies of the letter from the Government of India should be forwarded to the Collector of Bombay, the Director, Labour Office, the Director of Industries, the Superintendent of Telegraphs, Bombay Circle, the Chairmen, Bombay and Karachi Port Trusts, the Commissioners of Divisions, the Commissioner in Sind, the Millowners' Associations, Bombay and Ahmedabad, the European Textile Association, the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber and Bureau, Bombay, the Social Service League, the Kamgar Hitawardhak Sabha, the Agents, B. B. and C. I. and G. I. P. Railway Companies, the Trades Union Congress and the Bombay Engineering Employers' Association, and they should be requested to favour Government with their opinions on the suggestions made by the Government of India and forward their replies to Government through the Director, Labour Office, not later than the 25th of November 1921.

By order of the Governor in Council,

S. N. ZIMAN,

Deputy Secretary to Government.

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*Appended.

Letter from the Government of India, no. L.—927, dated the 30th September 1921, to the Secretary to the Government of Bombay, Home Department.

I am directed to invite your attention to Board of Industries and Munitions letter no. L.—812, dated the 17th May 1920, on the subject of the Draft Convention and Recommendation concerning unemployment adopted at the meeting of the International Labour Conference at Washington. The views of the Government of India on this subject are contained in paragraphs 9 and 13 of the Government of India's Despatch no. 16 (Industries), dated the 25th November 1920, a copy of which was sent to you with Board of Industries and Munitions letter no. L.—812, dated the 25th of January 1921. The Draft Convention has been ratified by the Government of India [*vide* Despatch No. 7 (Industries), dated the 21st April 1921, a copy of which was forwarded to you with this Department letter No. L.—812, dated the 14th of May 1921].

I am now to address you on the subject of public employment agencies.

2. Article 2 of the Convention concerning unemployment requires every Member of the Conference ratifying the Convention to establish a system of free public employment agencies under the control of a central authority. In their Despatch No. 16 (Industries) of the 25th November 1920 to the Secretary of State, the Government of India said that the creation of free public employment agencies had hitherto been thought unnecessary, since the demand for industrial labour has till now exceeded the supply. It was stated, however, that in a few congested areas, where wages remained relatively low owing to the outside demand for industrial labour failing to reach these areas, the institution of unemployment agencies might facilitate migration to areas where the demand for labour was never fully met. I am now to invite the opinions and suggestions of your Government on this subject.

3. In the Despatch to the Secretary of State [No. 16 (Industries), dated the 25th November 1920], it was pointed out that the Indian system of famine organisation dealt effectively with unemployment.

The Government of India, however, think that it might be an advantage, if, during the early stages of scarcity and famine, when the migration of labour begins and measures such as the distribution of *takavi* are initiated, steps were taken to inform the inhabitants of localities affected of any suitable employment available. It is understood that, in areas such as Deccan, people who might be willing to migrate have some difficulty in obtaining reliable information regarding the more distant places where employment is available or the type of work that is offered. It is possible that if such villagers were given early information on such points as places where work is obtainable, the accommodation provided, the type of work, the rates of wages, and whether there is work for women and children and for bullock carts, they would in many cases be able to look after themselves. Such information might be distributed through revenue or other officers; in some cases perhaps a public employment agency might be started with advantage. The Government of India would be glad to have the views of your Government on this point.

4. As stated above, the Government of India have expressed the view that public employment agencies might be useful in congested areas. I am now to draw your attention to the advisability of creating such agencies in such areas as the eastern districts of the United Provinces and the districts of north Bihar. In districts of this type, where the supply of labour for local purposes is believed to be permanently larger than the demand, the Government of India think that considerable benefit might follow from the establishment of agencies which would facilitate the migration of surplus labour to industrial areas where there is usually a shortage.

5. Article 2 of the Convention concerning unemployment also requires that committees which shall include representatives of employers and of workers shall be appointed to advise on matters concerning the carrying on of employment agencies. In the Government of India Despatch No. 16 (Industries), dated the 25th November 1920, it was stated that the Government of India had no objection to associating with those agencies, when created, advisory bodies of this type. They think that there would be no serious difficulty in securing representatives of employers for service on such bodies. They

recognise, however, that it may not be easy to nominate suitable representatives of labour in all cases. They hope, however, that this difficulty will be gradually overcome. The Government of India will be glad to have the opinions and suggestions of your Government on this point.

6. I am now to invite attention to Article I of the Recommendation of the Washington Conference, according to which each member of the International Labour Organisation has to take measures to prohibit the establishment of employment agencies which charge fees or which carry on their business for profit. The replies of local Governments to Board of Industries and Munitions' letter No. L.—812, dated the 17th May 1920 indicated that employment agencies of this character were practically unknown in India. A case, however, has recently been brought to the notice of the Government of India which seems to show that agencies of this kind, and some possibly fraudulent in character, may spring up in future. An emigration agency in Bombay recently advertised throughout the Punjab that employment could be obtained through it in France on pay of approximately Rs. 15 a day. A large number of applications were received, and, on an assurance that remunerative posts had been secured for the applicants, nearly two hundred emigrants were induced to pay sums varying from Rs. 500 to Rs. 600 to cover the costs of their passage, passports, etc. From time to time these men were despatched from Bombay to the Riviera, where they discovered that the promises of employment were entirely without foundation. They drifted to Marseilles, where they reported themselves to the British Consul General as completely destitute. They were ultimately repatriated at the public expenses. It is estimated that this emigration agency made a profit of from Rs. 200 to Rs. 250 on each emigrant.

Similar agencies may have recently been started in other parts of India, and the advisability of prohibiting them or of permitting them to operate only under Government license will no doubt be carefully considered by your Government.

7. I am to add that the question of establishing employment agencies for Indian seamen is being considered separately.

8. I am to request that, with the permission of His Excellency the Governor, the Government of India may be favoured with a reply to this letter before the end of November 1921.

Labour.

Ratification of some of the recommendations of the Washington Labour Conference.

GOVERNMENT OF BOMBAY. GENERAL DEPARTMENT.

Order No. 7866, Secretariat, Fort, Bombay,

Dated the 29th June 1921.

Letter from the Government of India, Department of Industries.

No. L.—812, dated the 14th May 1921:—

"In continuation of letter No. L.—812, dated the 25th January 1921, from the Board of Industries and Munitions, I am directed to forward herewith, for the information of the local Government, a copy of the Government of India Despatch no. 7-Industries of 1921, dated the 21st April 1921, together with a copy of telegram No. L.—812, dated the 26th January 1921, referred to therein."

ORDER.—The letter from the Government of India and accompaniments should be communicated to the officers and Departments concerned for information.

By order of the Governor in Council,

S. N. ZIMAN.

Deputy Secretary to Government.

GENERAL DEPARTMENT.

Secretariat, Fort, Bombay, 27th May 1921.

No. 6503.—The following notification by the Government of India, Department of Industries, is republished :—

"No. L.-812 dated Simla, the 14th May 1921."

The following correspondence between the Government of India and His Majesty's Secretary of State for India is published for general information :—

Telegram No. L.-812, dated Delhi, the 26th January 1921.

From—Viceroy (Board of Industries and Munitions),

To—His Majesty's Secretary of State for India, London.

Washington Labour Conventions. Your telegram dated 12th January, 248, to Viceroy (Board of Industries and Munitions). Please communicate to Secretary, General League of Nations in suitable form our ratification of two conventions, *viz.* (1) relating to night work of young persons employed in industries and (2) relating to employment of women by night and intimate to him that recommendations relating to prohibition of white phosphorus and to reciprocity of treatment of foreign workers are already in force. Further communication will be sent regarding other Draft Conventions and Recommendations after they have been laid before Legislature.

No. 7-Industries, dated Simla, the 21st April 1921,

From—His Excellency the Viceroy und Governor General of India in Council, (Department of Industries),

To—The Right Hon'ble Edwin Montagu, His Majesty's Secretary of State for India, London.

In our telegram No. L.-812 dated the 26th of January 1921, we requested you to communicate to the Secretary General of the League of Nations our ratification of two draft Conventions, adopted at the meeting of the International Labour Conference held at Washington in October and November 1919, and we proposed to send a further communication regarding the other draft Conventions and Recommendations after they had been considered by the Legislature. We have now laid those draft Conventions and Recommendations before the Indian Legislature, and we enclose for your information copies of the Resolutions adopted by the Legislative Assembly on the 19th February 1921 (Enclosure No. 1) and by the Council of

State on the 21st February 1921. (Enclosure No. 2). Except that the Resolution passed by the Legislative Assembly relating to the draft Convention and the Recommendation concerning unemployment was divided and passed as two Resolutions in the Council of State, the Resolutions passed in the two Chambers are identical. We have considered these Resolutions and have reached the conclusions stated in the paragraphs that follow.

2. The acceptance of the first Resolution will involve the ratification of the draft Convention limiting the hours of work before the legislation necessary to give effect to this Convention has been passed. At the same time, now that the principle involved has received the approval of both Chambers, we are confident that the Legislature re-affirm in legislation the conclusions it has reached in this Resolution. We therefore, request you to communicate to the Secretary-General of the League of Nations, in suitable form, our ratification of the Convention referred to above. In accordance with the second part of this Resolution, we have prepared a Bill to amend the Indian Factories Act, and copies of this Bill have already been forwarded to you. The Bill was introduced in the Legislative Assembly on the 1st March 1921, and has since been referred to a Joint Committee of the Council of State and the Legislative Assembly by agreement between the two Houses. Clauses 16 and 17 of this Bill, if passed, will satisfy the demands of the draft Convention as far as Factories are concerned. We have undertaken the examination of the Indian Mines Act (VIII of 1901) with a view to its revision, and hope to be in a position to introduce a revising Bill in the autumn session of the Legislature. We intend that this Bill should include provisions designed to satisfy the draft Convention, in so far as it applies to Mines. We have under consideration the possibility of an immediate extension of the provisions of the Convention to certain branches of railway work.

3. In accordance with the recommendations of the Legislature on the draft Convention concerning unemployment, we request you to communicate to the Secretary-General our ratification of this Convention also. We should be glad if you would explain to the Secretary-General at the same time the peculiar position of India in this res-

pect as explained in paragraph 9 of our Despatch No. 16 (Industries) of 1920, dated 25th November 1920. We consider it desirable that, in order to avoid subsequent misunderstanding, our views regarding this draft Convention and the action that we propose to take should be made clear to the Secretary-General when the Convention is ratified. It will thus be possible for him to judge whether the measures which we are taking or propose to take do, or do not, constitute an effective compliance with the provisions of the convention.

4. The last Resolution passed in each Chamber refers to a third Convention—that fixing the minimum age for admission of children to industrial employment. We venture to remind you that at the Washington Conference, the Commission on Employment of Children recommended that this Convention should not apply at once to India. The Commission accepted the view put forward by the Delegates who represented us at the Conference that we should be asked to place before the next meeting of the Conference our own proposals in this matter. After a brief discussion in the full meeting of the Conference, the proposal of the Commission was negatived, and an amendment was accepted which now forms Article 6 of the draft Convention. Our delegates had no opportunity of suggesting reservations in the article itself which would have harmonised it with the general scheme of the factories law in this country. The mover of the amendment which resulted in the adoption of this article was apparently influenced chiefly by the desire to call the attention of the Indian Government to the importance of the subject. It is hardly necessary to explain that there is some difficulty in adjusting a provision adopted in this manner to the conditions prevailing in India, and we believe that the reservations laid down in the Resolutions of the Legislature are absolutely necessary, if we are to ratify this draft Convention. The first reservation is designed to ensure that our provisions for the protection of children are genuine. It would be a simple matter for the Legislature to enact that the Factories Act should apply to all factories employing as few as ten persons, but it would be quite impossible for the Local Governments to provide immediately the staff necessary to inspect those factories. This point has been fully discussed in the Commission on the Appli-

cation of the 48-hour week Convention to Special Countries, which was presided over by the Right Hon'ble G. N. Barnes, and, as will be observed from the text of our Factories Bill, we have proposed a material modification of the definition of "factory," as suggested in paragraph 5 of the chapter on India of the report of Mr. Barnes' Commission. The second reservation that we are making in our acceptance of this draft Convention is of a purely temporary nature and is designed to minimise opposition from the operatives themselves, and to give employers time to make the adjustments necessary to meet the new conditions. It will be observed that an exactly parallel reservation exists in Article 5 of this draft Convention in the case of Japan. While we desire, therefore, to ratify this Convention, we wish to make the reservations laid down in the Resolutions of the Legislature. We are taking the steps necessary for the framing of Bills to apply the provisions of the Convention to mines and to transport workers.

5. As stated in our telegram No. L.-812 of 26th January 1921, two Recommendations adopted at Washington are already in force in this country, viz., the Recommendation concerning reciprocity of treatment of foreign workers and the Recommendation relating to the prohibition of the use of white phosphorus in the manufacture of matches. The remaining Recommendations are dealt with in the Resolutions now adopted by the Legislature. Section 10 of the Bill to amend the Indian Factories Act, if passed, will satisfy the Recommendation concerning the protection of women and children against lead poisoning. Section 22 of the same Bill will make it possible for us to give effect to the Recommendation concerning the prevention of anthrax if, after due enquiry, we are satisfied as to the necessity for so doing. This Recommendation and the Recommendations concerning unemployment and the establishment of Government Health Services are receiving our attention. We request you to inform the Secretary-General of the action we are taking on the Recommendations referred to.

ENCLOSURE No. 1.

Resolutions moved by the Hon'ble Sir Thomas Holland. K.C.S.I., K.C.I.E etc., and adopted by the Legislative Assembly.

1

"This Assembly recommends to the Governor-General in Council—

(*a*) that he should ratify the Draft Convention limiting the hours of work in industrial undertakings adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th of October 1919 :

(*b*) that steps should be taken to introduce in the Indian Legislature the legislation necessary to give effect to this Convention as applied to British India by Article 10 thereof."

2

"This Assembly recommends to the Governor General in Council—

(*a*) that he should ratify the Draft Convention concerning unemployment adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th of October 1919;

(*b*) that he should, after such investigation regarding unemployment in India as he may think fit, take steps to create regular public employment agencies in so far as the same may be necessary to facilitate the migration of labour;

(*c*) that such agencies, when created, should be provided with Advisory Board representative of employers and workers;

(*d*) that he should examine the Recommendation concerning unemployment adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th October 1919 in order to determine to what extent it is desirable to give effect thereto."

3

"This Assembly recommends to the Governor General in Council—

(*a*) that he should make enquiry into the possibility of making arrangements for the disinfection of wool infected with anthrax spores as suggested in the Recommendation concerning the prevention of anthrax adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th of October 1919;

(*b*) that steps should be taken to introduce in the Indian Legislature such legislation as may be necessary to enable him to give effect to the Recommendation if, after due enquiry, he is satisfied as to the necessity for so doing."

4

"This Assembly recommends to the Governor General in Council that he should give effect to the Recommendation concerning the protection of women and children against lead poisoning adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th of October 1919, and should take steps to introduce in the Indian Legislature the legislation necessary to that end."

5

"This Assembly recommends to the Governor General in Council that he should examine the possibility of giving effect to the Recommendation concerning the establishment of Government Health Services adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th October 1919."

6

"This Assembly recommends to the Governor General in Council—

(*a*) that he should ratify the Draft Convention fixing the minimum age of admission of children in industrial employment adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th of October 1919, subject to the following reservations:—

(*i*) that it shall not apply to factories employing more than 10 but less than 20 persons unless the Local Government so directs;

(*ii*) that transitional regulations shall be made regarding children between the ages of 9 and 12 already lawfully employed in factories;

(*b*) that steps should be taken to introduce in the Indian Legislature the legislation necessary to give effect to the Draft Convention as applied to British India by Article 6 thereof and subject to the reservations above stated."

ENCLOSURE No. 2.

Resolutions moved by the Hon'ble Mr. A. C. Chatterjee, C.I.E., I.C.S. and adopted by the Council of State.

1

"This Council recommends to the Governor General in Council—

(*a*) that he should ratify the Draft Convention limiting the hours of work in industrial undertakings, adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th of October 1919;

(*b*) that steps should be taken to introduce in the Indian Legislature the legislation necessary to give effect to this Convention as applied to British India by Article 10 thereof."

2

"This Council recommends to the Governor General in Council—

(*a*) that he should ratify the Draft Convention concerning unemployment adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th of October 1919;

(*b*) that he should, after such investigation regarding unemployment in India as he may think fit, take steps to create regular public employment agencies in so far as the same may be necessary to facilitate the migration of labour;

(*c*) that such agencies, when created, should be provided with Advisory Boards representative of employers and workers."

3

"This Council recommends to the Governor General in Council that he should examine the Recommendation concerning unemployment adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th October 1919, in order to determine to what extent it is desirable to give effect thereto."

4

"This Council recommends to the Governor General in Council—

(*a*) that he should make enquiry into the possibility of making arrangements for the disinfection of wool infected with anthrax spores as suggested in the Recommendation concerning the prevention of anthrax adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th of October 1919;

(*b*) that steps should be taken to introduce in the Indian Legislature such legislation as may be necessary to enable him to give effect to the Recommendation if, after due enquiry, he is satisfied as to the necessity for so doing."

5

"This Council recommends to the Governor General in Council that he should give effect to the Recommendation concerning the protection of women and children against lead poisoning adopted by the General Conference of the International Labour Organisation of

the League of Nations convened at Washington on the 29th of October 1919, and should take steps to introduce in the Indian Legislature the legislation necessary to that end."

6

"This Council recommends to the Governor General in Council that he should examine the possibility of giving effect to the Recommendation concerning the establishment of Government Health Services adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th of October 1919.

7

"This Council recommends to the Governor General in Council—

(*a*) that he should ratify the Draft Convention fixing the minimum age of admission of children in industrial employment adopted by the General Conference of the International Labour Organisation of the League of Nations convened at Washington on the 29th of October 1919, subject to the following reservations:—

(*i*) that it shall not apply to factories employing more than 10 but less than 20 persons unless the Local Government so directs ;

(*ii*) that transitional regulations shall be made regarding children between the ages of 9 and 12 already lawfully employed in factories;

(*b*) that steps should be taken to introduce in the Indian Legislature the legislation necessary to give effect to the Draft Convention as applied to British India by Article 6 thereof and subject to the reservations above stated."

(Signed) A. C. CHATTERJEE,

Secretary to the Government of India."

By order of the Governor in Council,

J. C. KER,

Secretary to Government.

T 215.

22nd March 1922.

To,

The Deputy Secretary to the Government of
Bombay, General Department,
BOMBAY

Sir,

With reference to your letter No. 1068-D dated 26th October 1921, regarding the draft Conventions and Recommendations of the Labour Conference, Washington, on Public Employment Agencies, I am directed by my Committee to say that they regret that they are unable to accept the views expressed by the Government of India in their letter enclosed with your letter under reply.

My Committee are not aware of any widespread unemployment among industrial workers in the Bombay Presidency to necessitate the establishment of Public Employment Agencies.

Regarding the case of certain districts of Behar and the U. P. (Vide para 4 of the Government of India letter No. L-927 of the 30th September 1921) where the supply of industrial labour is stated to exceed the demand, my Committee feel that the work of diverting the excess of labour to more profitable channels would easily be carried out by the administration. In view of the heavy financial difficulties of India my Committee feel that it is inadvisable to start any new Departments or create any new posts. I beg etc.

S. M. MUZUMDAR,
Ag. Secretary.

APPENDIX II

Workman's Breach of Contract Act.

No. 324-C.

Home Department, Secretariat, Fort, Bombay
22nd November 1921.

To,

The Secretary, Indian Marchants' Chamber and Bureau.

Sir,

I am directed by the Governor in Council to forward herewith

a copy of a Resolution of Government in this Department No. 324-C, dated this day, and to request that you will be so good as to furnish Government as soon as possible with the opinion of the Indian Merchants' Chamber and Bureau on the questions raised in paragraph 2 of the letter from the Government of India accompanying the Government Resolution. I have etc.

G. WILES.

For Secretary to the Government of Bombay,

Workman's Breach of Contract Act-Proposed repeal of the-X III of 1859 and of sections 490 and 492 of the Indian Penal Code.

Government of Bombay. Home Department. Resolution No. 324-C. Secretariat, Fort Bombay, 22nd November 1921.

Copies of the accompanying letter from the Government of India should be forwarded to the Honourable the Chief Justice and Judges of the High Court and the Judicial Commissioner of Sind and the Judges of his Court, and they should be requested to consider the desirability of issuing instructions to the Sessions Judges and District Magistrates in the sense of paragraph 1 of the letter from the Government of India. They should also be requested to favour Government as soon as possible with their opinion on the questions raised in paragraph 2 of the letter from the Government of India.

2. Copies of the letter from the Government of India should also be forwarded to the Commissioner in Sind, the Commissioners of Divisions, the Director of Industries, the Remembrancer of Legal Affairs, the Chief Presidency Magistrate, Bombay, the Agents, B. B. & C. I. and G. I. P. Railways, the Chairman, Bombay and Karachi Port Trusts, the Bombay Presidency Trades Association, the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber and Bureau, the Millowners' Associations of Bombay and Ahmedabad, the European Textile Association, the Service League, the Kamgar Hitawardhaka Sabha, the Trades Union Congress, and the Bombay Engineering Employers' Association,

and they should be requested to favour Government as soon as possible with their opinion on the questions raised in paragraph 2 of the letter from the Government of India.

3. Copies of the letter from the Government of India should also be forwarded to all Sessions Judges and District Magistrates and they should be requested to furnish Government as soon as possible with their opinions on the questions raised in paragraph 2 of the letter from the Government of India and a report on the points raised in paragraph 3 of the letter. The Sessions Judges should be requested to submit their reports through the High Court or the Court of the Judicial Commissioner of Sind as the case may be, and the District Magistrates should be requested to submit their reports through the Commissioners concerned.

By order of the Governor in Council,

G. WILES,

Deputy Secretary to the Government of Bombay,

Home Department.

No. F.-168-Judicial.

From

H. Tonkinson, Esq.,

Additional Deputy Secretary to the Government of India,

To

The Secretary to the Government of Bombay,

Home Department (and other Local Governments)

Simla, the 1st October 1921.

The Workman's Breach of Contract Act, 1859, as amended by the Act of 1920.

Sir,

I am directed to invite a reference to the statement made by the Hon'ble Sir William Vincent on behalf of Government in the Imperial Legislative Council on the 11th March 1920, when moving that the Bill further to amend the Workman's Breach of Contract Act, 1859, be passed, to

the effect that Government would be prepared to address local Governments pointing out that the policy of the Government of India was to administer the Workman's Breach of Contract Act, as amended, with the greatest leniency possible. I am to request that, (with the permission of His Excellency the Governor in Council / His Honour the Lieutenant-Governor) steps may be taken to give effect to the assurance given in the Council.

2. I am at the same time to enclose copies of the debate in the Legislative Assembly on the 10th September 1921* on Mr. Joshi's resolution recommending the repeal of the Workman's Breach of Contract Act, 1859, and sections 490 and 492 of the Indian Penal Code. It will be seen that Mr. Joshi withdrew his resolution on an undertaking being given to him by the Honourable Sir William Vincent that the Government of India were prepared to adopt the view that the repeal of the Act was desirable on general grounds of principle, and that if after consulting local Governments and eliciting public opinion, it was found that there was a general consensus of opinion in the country in favour of this course, they would be prepared to undertake legislation to repeal the Act. No definite undertaking was given as to the repeal of sections 490 and 492 of the Indian Penal Code, which, the Government of India consider, stand on a different footing from the Act of 1859 as they are a part of the general criminal law of the land, but the Government of India expressed their readiness to invite public opinion on these sections of the Indian Penal Code as well. I am accordingly to request that general public opinion, especially the opinion of those whose interests are likely to be affected by these proposals, the Planter community and other employers of labour, may be ascertained and communicated to the Government of India, together with the views of His Excellency the Governor in Council / His Honour the Lieutenant-Governor on the position generally and in your views, particular on the questions (1) whether the repeal of the Workmen's Breach of Contract Act is likely to affect materially the industrial progress of the country; and (2) whether the repeal of sections 490 and 492 of the Indian Penal Code is desirable.

* Vide Vol II No 3 of the Legislative Assembly Debates Pages-227- 41.

3. I am further to ask that a report may be furnished as to how the Act as amended in 1920 has worked, whether it is unfair and whether any instances of the abuse or misuse of its provisions have come to $\frac{\text{the notice of the local Government.}}{\text{your notice.}}$

4. The Government of India would be glad to be furnished with an early reply to this reference.

I have etc.

H. TONKINSON,

Additional Deputy Secretary to the Government of India.

T 212.

22nd March 1922.

To,

The Deputy Secretary to the Government of Bombay,

Home Department,

BOMBAY.

Sir,

With reference to your letter No. 324-C, dated 22nd November 1921 forwarding copy of a letter from the Government of India No. F-168, dated 1st October 1921, on the subject of the proposed repeal of the Workmen's Breach of Contract Act of 1859 as amended by the Act of 1920 and of Sections 490 and 492 of the Indian Penal Code, I am directed by my Committee to submit their views as follows:—

The Workmen's Breach of Contract Act was passed as early as 1859. Times and conditions regarding both labourers and employers

have changed materially since then, and the Act does not seem to be necessary any longer. The Act makes a workman criminally liable for an offence which is merely a civil offence for every other class of men. By the payment of an advance the employer of labour gets a most unfair hold on the workmen, and the resulting state of things is closely similar to indentured labour.

This Act is an example of what may be termed class legislation and as such is likely to harm the cordiality of relations that should exist between capital and labour.

My Committee would further like to observe in this connection that the very fact that a workman agrees to restrict, if not to sell, his liberty in consideration of a sum of money, shows the intensity of his poverty. Surely his distress does not merit any intensification of the nature of criminal liability. It rather merits relief measures like the Deccan Agriculturists' Relief Act. There is no hard and fast dividing line between the agriculturist and the ordinary labourer. Both unfortunately in India at present appear to be species of the same genus. If a special relief Act was enacted for the former some consideration is called for for the latter. At any rate the latter should not be penalised by special penal legislation.

The workman does not break his contract for the mere love of breach of contract. In his extreme poverty he would be the last man to leave his job, unless the pay he has agreed to receive under the contract—a contract, it may be repeated, he has made in the extremety of his poverty—is very low, or the conditions are unduly harsh. There does not, therefore, seem to be any reason why the employer of labour, whether the factory-owner or the planter, should be specially protected.

Section 492 of the Indian penal Code is liable to the same objections as the workmen's Breach of Contract Act and should be repealed. Section 490 of the Penal Code might have been necessary when travelling was more hazardous, and when the Railway and steamships of today did not exist on the same scale as at present. The section may, however, be retained if provinces where Railways and Steamships are not available for transport express themselves in favour of it.

I am also directed by my committee to enclose herewith for your information a copy of the representation made by them to the Government of Bombay, Judicial Department, on the 29th November 1919 in connection with the provisions of the Bill further to amend the Workmen's Breach of Contract Act of 1859.

I beg etc.

S. M. MUZUMDAR.

Ag. Secretary,

APPENDIX 12.

Allowances to Appraisers.

No. 110.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

Delhi, the 7th January 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau, Bombay.

Grant of rewards to appraisers.

Sir,

I am directed to refer to your letter No. T. 1214, dated the 6th August 1921, * on the subject of the grant of rewards to appraisers.

2. The system of granting rewards to customs officers or other persons for bringing to notice infringements or evasions of the provisions of the Sea Customs and the Merchandise Marks Acts has been long established in India and was already in force at the time of the passing of the Sea Customs Act of 1878. As your Chamber are aware, appraisers are employed for the purpose of obtaining a correct assessment of goods to duty; and rewards are granted at the discretion of the chief customs officer or the chief customs authority within certain limits to any appraiser who detects a misdeclaration due either to a

* Vide Annual Report of the Chamber 1920-21 Page 272

deliberate attempt to defraud Government or to an inexcusable carelessness, when such misdeclaration, if undetected, would have led to a loss of revenue and when the goods in respect of which the offence is committed are confiscated or a penalty or fine is imposed on the importer.

3. At the same time, although the system is an old one, it has been carefully and periodically revised, and provides full safeguards for commercial and other public interests. The power of confiscating goods and of imposing penalties is confined to superior officers, who are responsible for the prompt checking of any tendency, such as your Committee apparently apprehend may exist, on the part of appraisers, to submit false or vaxatious reports; and the Government of India have no reason to believe that any such superior officer has failed in this responsibility. Nor should it be forgotten that a further check to any possible abuse is provided by the right of appeal at negligible cost to the Collector of Customs or the Chief Customs Authority (as the case may be). The Government of India do not, therefore, see their way to give up the existing system of rewards, which they consider to be essential to the efficiency of the customs administration in India

I have etc.

E. C. ANSORGE,

Deputy Secretary to the Government of India.

APPENDIX 13.

The Machinery Committee.

No. 415.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

Delhi, the 20th January 1922.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I am directed to say that the Government of India have decided to appoint a small informal Committee with the following terms of

reference: (1) to examine the definition of "machinery and component parts of machinery" in item 53 of the Import Tariff Schedule; (2) to report whether in the interests of simplicity and convenience of trade this definition requires revision; (3) if necessary, to suggest a new definition; and (4) to make such other recommendations as may seem germane to the enquiry or necessary to safeguard the Government revenue.

2. The personnel of the Committee will consist of 4 members, namely, the Collector of Customs, Calcutta (chairman), and one representative each of the Bengal Chamber of Commerce, the Indian Association of Engineers in Calcutta, and the Indian Merchants' Chamber and Bureau, Bombay.

3. It is proposed to hold the meetings at Calcutta in the middle of February next, and it has been decided to offer a fee of Rs. 32/— to the non-official members of the Committee for each meeting. In addition the representative of your Chamber will be allowed double first class fares for the journeys from Bombay to Calcutta and back, and a halting allowance of Rs. 20/— a day throughout his stay at Calcutta. I am therefore to request that your Chamber will nominate a representative for this purpose, and that the Government of India may be informed whether the gentleman so nominated agrees to serve on the Committee on the terms offered.

I have etc.
E. C. ANSORGE
Deputy Secretary to the Government of India.

APPENDIX 14.

Printing of Currency notes in India.

No. 355.—F.

GOVERNMENT OF INDIA, FINANCE DEPARTMENT,
Delhi the 31st January 1922.

To

The Secretary to the Indian Merchants' Chamber and Bureau,
BOMBAY.

Sir,

I am directed to invite a reference to your letter No. T. 1449,

dated the 15th October 1921, * (the delay in replying to which is due to the necessity for obtaining certain information from home) in which the suggestion is made that the printing of Indian Currency Notes should be undertaken in India.

The position, briefly, is that it is at present premature to consider the general question of such printing, as the existing contract (which was made in 1914) with the Bank of England for the supply of currency notes (other than one rupee notes) is not terminable earlier than the 30th June 1929. So far as one rupee notes are concerned, the agreement is terminable earlier, but in case of such termination, Government would be liable to meet a reasonable claim on the part of the Bank in respect of loss on their initial outlay, should the agreement be terminated before the Bank has been able to write off its initial expenses. Subject to the above, the Government of India would welcome the manufacture of currency notes in India if it can be satisfactorily proved that the manufacture of the notes, and especially of the paper, is both practicable and secure. Steps will now be taken to Judge the practicability of printing in India, in order that, should the result be favourable, there may be no delay in initiating printing at the expiry of the present contract with the Bank of England.

I have etc.

E. M. COOK.

Secretary to the Government of India.

T. 118

21st February 1922.

To,

The Secretary to the Government of India,

Finance Department,

DELHI.

Sir,

With reference to your letter No. 355—F. dated 31st January 1922, I am directed by my Committee to request you to supply the

* Vide Annual Report of the Chamber for 1920—21 Page 336.

following information—(*a*) A copy of the contracts which the Government of India may have made with the Bank of England for the supply of Currency Notes; (*b*) The approximate date by which the Bank of England hopes to be able to write off the initial expenses which it may have incurred in connection with the contract for the printing of one rupee notes; and (*c*) The amount of these initial expenses that will reqire to be wiped off or made good.

I beg etc.

S. M. MUZUMDAR.

Ag. Secretary.

No. 1883—F.

Government of India. Finance Department.

Simla, the 30th August 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

In continuation of my letter No. 1521—F., dated the 14th June 1922, I am directed to furnish the information asked for in your letter No. T. 118, dated the 21st February 1922 about the printing of currency notes in England:—

(*a*) The agreement between the Secretary of State and the Bank of England in regard to the supply of currency notes did not take the form of an ordinary contract but is part of a wider agreement covering the arrangements in regard to the India Office balances held by the Bank and to the services to be rendered by the Bank in respect of those balances. The portion of the agreement dealing with the prices paid for the supply of currency notes is summarised below:—

"The prices will be regulated by a sliding scale as follows:—

If the total number of notes ordered on any one annual indent (as it finally stands after any modification during the course of supply) amounts to	Price of Rs. 5 Notes to be (per 1,000)	Price of Notes of Higher Denominations to be (per 1,000)
	s. d.	s. d.
Under 30 millions	... 17 — 5	34 — 1
30 millions but less than 40 millions....	... 17 — 2	33 — 7
40 do. do. 50 do. ...	... 16 —11	33 — 1
50 do. do. 60 do. ...	... 16 — 8	32 — 7
60 do. do. 70 do. ...	... 16 — 5	32 — 1
70 do. do. 80 do. ...	... 16 — 2	31 — 7
80 do. do. 90 do. ...	... 15 —11	31 — 1
90 millions but less than 100 millions....	... 15 — 8	30 — 7
100 do. do. 110 do. ...	... 15 — 5	30 — 1
110 do. do. 120 do. ...	... 15 — 2	29 — 7
120 or over	... 14 —11	29 — 1

The Secretary of State will, however, bear any additional outlay or increased cost of production caused by the introduction at his request of any alteration in the existing form or material of Currency Notes, and will have the benefit of any saving in cost of production affected in consequence of such alteration."

It may be added that in addition to the prices mentioned in the above scale, grants have been made for some time in respect of increased costs of production arising out of war conditions.

(*b*) *and* (*c*) It has not so far been necessary to go into the question of the amount of the Bank's initial expenditure in connection with the manufacture of one-rupee notes. The matter is one which will naturally have to be examined if and when it is decided to transfer manufacture to India. The amount of expenses to be written off will depend *inter alia* on the question whether, in the event of transfer, any portion or all of the machinery etc. is taken over by Government for use in India.

2. I am to add that steps are now being taken to send an officer of the Government of India on deputation to England to study the possibilities of printing currency notes in India.

I have etc.

D. N. DUTT,

Addl. Deputy Secretary to the Government of India.

T. 1137.

25th October, 1922.

To,

The Secretary to the Government of India, Finance Department,

DELHI.

Sir,

With reference to your letter No. 1883—F dated the 30th August 1922, my Committee will feel obliged if you will kindly let them know as to when the prices in the schedule given in your letter under reply were raised, what the prices were pre-war and if the prices have been raised during the war, whether they have been revised on account of subsequent fall both in labour and other charges.

I beg etc.

J. K. MEHTA,

Secretary.

No. 2304.

Government of India, Finance Department.

Delhi, the 16th November 1922.

To

The Secretary,

The Indian Merchants' Chamber and Bureau

BOMBAY.

Subject.—Printing of currency notes in India.

Sir,

I am directed to reply to your letter, No. T—1137, dated the 25th October 1922, as follows,

1. The schedule given in paragraph 1 of Mr. Dutt's letter, No. 1883—F., dated the 30th August 1922, represents the pre-war rates fixed in June 1914. Additional grants have been made since 1915 for increased costs of production during the war. The percentage of such increase has been reported by His Majesty's Stationery Office to compare very favourably with those which they have been compelled to concede to contractors for the Imperial Government.

3. The question of a reduction in these extra charges is under consideration.

I have etc.
S. V. AIYAR,
Assistant Secretary to the Government of India.

APPENDIX 15.

Centralization of the Administration of the Customs Department.

No. 3455 G.

Revenue Department.

Secretariat Fort, Bombay.

Dated the 6th December 1921.

To,

The Secretary,

Indian Merchants' Chamber and Bureau.

Subject.—Centralization of the administration of the Customs Department.

Sir,

I am directed by the Governor in Council to forward a copy of Government Resolution No. 3455 dated 6th December 1921 and to request that Government may be favoured by 1st January 1922 at the latest with the opinion of your Chamber on the subject.

With ten spare copies of the Government of India letter.

I have etc.

SHAMRAO D. MANKAR.

Under Secretary to the Government of Bombay,

Revenue Department.

Customs Department-Centralisation of the administration of the:—

Government of Bombay, Revenue Department.
Resolution No. 3455. Secretariat, Fort, Bombay.
Dated 6th December 1921.

*Letter from the Government of India, Department of Commerce No. 6767 dated 24th November 1921.

Resolution.—Copies of the Letter from the Government of India should be forwarded to the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber and Bureau, the Bombay Presidency Trades' Association, and the Bombay Underwriters' Association, with a request that they will favour Government with their opinions on the subject, not later than 1st January 1922.

2. Copies of the letter should also be forwarded for favour of opinion by 7th January 1922 at the latest to the Commissioner in Sind, the Commissioner of Customs, Salt and Excise and the Commissioners of Divisions. The Commissioners should be requested to consult such select officers, businessmen or commercial private bodies as they may think fit.

3. The Commissioner in Sind and the Commissioner of Customs, Salt and Excise, Bombay, should be requested to give their opinions in particular, on the proposals outlined in paragraph 8 of the letter and furnish Government with:—

(1) detailed information as to the staff at present employed in the office of the Chief Customs authorities and the cost of such establishment together with the number of receipts and issues dealt with by them; and

(2) an estimate of the allotments, if any, from Imperial revenues which may be considered necessary to meet the cost of the administration of the outports which in their opinion, should not be taken under the direct control of the Government of India.

By order of the Governor in Council,

SHAMRAO D. MANKAR,

Under Secretary to Government.

G. R. No. 3455. R. D., dated the 6th December 1921.

* Copy appended.

No 6767.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

CUSTOMS ESTABLISHMENTS.

From,

The Hon' ble Mr. H. A. F. Lindsay, C. B. E. I. C. S.,

Officiating Secretary to the Government of India

To

The Secretary to the Government of Bombay,

Revenue Department, (and other local Governments.)

Dated the 24th November 1921.

Centralization of the administration of the Customs Department.

Sir,

I am directed to address you on the subject of centralising the administration of the Customs Department in India and the appointment of a Controller General for the purpose of supervising the Department under the control of the Central Government.

2 The question of appointing an Inspector-General of Customs has been discussed on several occasions in the past, and it was recognised that the appointment of such an officer would afford the only effective means of securing practical uniformity in customs administration throughout India. The proposal was first put forward in 1903 when the question of the formation of an Imperial Customs Service was under consideration, but was abandoned on the following grounds, *viz*:—

(1) that the Inspector-General being a peripatetic officer, could not conveniently be constituted the appellate authority from decisions of Collectors;

(2) that his duties would not be sufficient to justify the appointment of a whole-time officer; and

(3) that the creation of such an appointment would add very considerably to the cost of the scheme then under consideration.

For these reasons it was considered better to defer the creation of the suggested appointment, although it was realised that the service could not be thoroughly efficient without a single authority at its head. At the same time, the Government of India in this Department's letter dated the 28th December 1903 deprecated the idea of dissociating the local Government from customs administration in view of the importance to maritime trade of prompt decisions on points of customs law and of the desirability of the local Governments on the seaboard of India retaining an interest in the development of maritime trade. The Government of India, therefore, confined themselves at that time to the centralisation of matters connected with recruitment, establishment and the posting of officers in the newly created service, and did not propose to interfere in any way with the powers of administration vested in the local Governments by the Sea Customs Act.

3. The question was again raised on the advent of the Decentralisation Commission in 1908, but was not pursued at that time. In 1909 in was suggested that the functions of Inspector-General of Excise and Salt should be extended so as to include Customs also. The views of local Governments were invited on this proposal in the Commerce and Industry Department's letter No. 7527—7531—39, dated the 20th October 1910. It was pointed out that very substantial advantages would be derived from the appointment of an Inspector-General of Customs, and that the combination of the duties of an Inspector-General of Excise and Salt and of Customs in the hands of a single officer would meet the two main objections which had hitherto been felt to the appointment of a whole-time Inspector-General of Customs, *viz.*, the expense involved and the uncertainty whether supervision of the Imperial Customs Department alone would provide sufficient work for such an officer. It was however, proposed that the Inspector-General should be purely an advisory officer, not only for the Government of India, but also for the local Governments and that he should not interfere in any way with the control exercised

by local Governments in regard to customs administration. Moreover there was not at that time any intention of altering existing arrangements for the hearing of appeals in customs matters. though it was suggested when cases involving matters of principle were taken up on appeal, reference might be made to the Inspector-General inviting his opinion on the points at issue. This proposal received the general approval of local Governments, but was ultimately abandoned in consequence of the abolition of the appointment of Inspecter-General of Excise and Salt in 1913.

4. The whole aspect of the question of customs administration in India has now undergone a complete change in consequence of the passing of the Government of India Act and the separation of central from provincial subjects. Customs having now been declared to be a central subject, the responsibility for its administration rests directly with the Government of India, and all receipts and expenditure connected therewith are included in the Imperial budget. The Government of India consider, therefore, that the time has now come to take under their direct control the entire administration of Sea Customs, and as a corollary to this decision they are of opinion that it will be necessary to appoint a Controller General of Customs for the purpose of taking over the duties at present performed by the Chief Customs authorities at the principal ports.

5. It will be seen from paragraphs 2 and 3 above that the chief objections which have been urged in the past against the creation of such an appointment have been—

(1) the expenditure involved;

(2) the impracticability of constituting such an officer an appellate authority, in view of the desirability of appeals being decided promptly and on the spot; and

(3) the possibility that the duties of such a post would not be sufficient for the employment of a whole-time officer.

These objections no longer appear to the Government of India to carry the same weight as in the past. The first objection no longer holds good in the altered conditions brought about by the Reforms, owing to the complete separation of Provincial from Imperial finances.

Under the system now in force, it will be necessary for the Government of India to make contributions to the maritime local Governments for the charges incurred by the latter in the administration of customs as the agents of the Governor-General in Council. By the centralisation of the Department and the creation of the appointment of Controller General of Customs such contributions, at any rate in regard to the major ports, will no longer be necessary, and it is probable that considerable savings will result to the Government of India on this head. With regard to the question of appeals, the Government of India now understand that these no longer constitute a serious difficulty. The Controller General of Customs will be concerned only with appeals from the decisions of Collectors of Customs, and such appeals in all the provinces during the last six years have averaged less than 34 a year. Applications to the local Governments for revision of the orders of the Chief Customs authorities have amounted to less than six in a year. There are, in the opinion of the Government of India, very obvious advantages in an arrangement by which all the appeals from the decisions of Collectors of Customs will be heard by a single authority instead of by the various Chief Customs authorities at the different ports, and they do not anticipate that appeals will be disposed of less promptly by a whole-time Controller General of Customs than at present. The Government of India are, moreover, inclined to consider that undue stress has perhaps been laid upon this point in the past. In view of the provisions of section 189 of the Sea Customs Act, under which no appeal is admissible until the penalty or extra duty imposed has been deposited in the hands of the Collector of Customs, a delay in the disposal of the appeal should not interfere with the prompt clearance of the goods involved in the case. Nor is there any reason to apprehend delay in the disposal of applications for revision of decisions of the Controller General of Customs, if the powers of revision now exercised by the local Governments are transferred, either wholly or in part, to the Government of India. The commercial communities at the towns fully realise even at present that the Government of India are the ultimate authority in such matters, and it not infrequently happens that Collectors of Customs are requested to make recommendations to the Government of India direct. It is probable, therefore, that the commercial public

will welcome the constitution of an appellate authority directly under the Government of India, especially if a further application for revision be allowed to the Central Government. If the Controller General is entrusted with this duty in addition to the general duties exercised by him in dealing with questions of administration, inspecting the various custom houses and advising the Government of India on customs matters, the Government of India consider that the duties of the post will be sufficiently onerous and responsible to necessitate the employment of a whole-time officer

6. On the other hand, it is clear that important advantages will result from the creation of such a post. In the first place, it has always been recognised that it would only be by such an appointment that uniformity could be secured between the various ports, both in regard to the interpretation of customs law and customs administration generally. Such uniformity, though now more than ever desirable on account of the increased complexity of the tariff, becomes in present circumstances more and more difficult to obtain. It has not infrequently come to the Government of India's notice recently that the principles adopted for assessing various articles to duty vary from port to port, and it has sometimes happened that discrepant rulings have been given by the various customs authorities or the local Governments. It is, for obvious reasons, most undesirable that such differences should occur, and it is clear that in the interests of the commercial community a central co-ordinating authority is urgently needed. Not only will the classification of articles for tariff purposes tend to assume a far more scientific character under the control of such an officer, but the risk of loss of revenue through faulty assessment will also be reduced to a minimum. Secondly, uniformity in general customs administration is equally desirable. In dealing with such matters as overtime and overtime fees, Sunday fees, uniform allowances and so forth, the Government of India have on many occasions felt themselves hampered by the discrepant practices which have grown up from port to port; and they consider it essential that a serious effort should now be made to render the customs administration as far as possible uniform throughout India. Thirdly, it is obvious that the present system, according to which the orders of the Govern-

ment of India as the ultimate authority in customs administration have to be applied for in all important matters through the Collector of Customs, the Chief Customs authority of the province concerned, and the local Government, tends inevitably to cause needless delay and consequent inconvenience to the customs staff and the commercial community. In fact, in cases of urgent importance, as for example, those connected with the restrictions on trade imposed during the war, the Government of India have sometimes found it necessary, as the local Government are aware, to dispense with the ordinary procedure and to carry on correspondence direct with the Collectors of Customs. Moreover, the present system, by which the Government of India while bearing the cost of customs establishments do not retain them under their administrative control, renders impossible those direct dealings with the staff which under present day conditions are of the greatest value. A further consideration, and one which has weighed heavily with the Government of India in coming to their present decision, is the imperative necessity for altering the present arrangement by which the customs budget is prepared by the various local Governments. Now that the provisions of the budget have to be justified item by item before the Legislative Assembly and the approval of the Assembly has to be obtained to the expenditure proposed, it is essential that the budget should be prepared by an officer working directly under the Government of India and in the closest possible touch with them.

7. For these reasons the Government of India have decided to take under their direct control the administration of Sea Customs, and to entrust the duties at present performed by the Chief Customs authorities at the principal ports to a central authority to be called the "Controller General of Customs." The Collectors of Customs will exercise the power of the Chief Customs officer for each maritime province, but will, it is proposed, be subject to the Controller General as the Chief Customs authority for the whole of India and Burma. The Controller General will be directly subordinate to the Government of India, who will themselves assume most of the powers at present exercised by the local Governments under the Sea Customs Act. For this purpose it will be necessary to amend the customs law so as to empower the Governor-General in Council and the Controller

General of Customs to carry on the duties at present performed by the local Governments and the Chief Customs authorities. In this connection, the Government of India will be glad to receive the views of the Government of Bombay, etc., on the question of what powers, if any, should still be reserved for the local Government, and whether it would be desirable to entrust any additional powers to Collectors of Customs, who under the proposed scheme will be entirely under the control of the Central Government.

8. The main point, however, on which I am to request the opinion of the Government of Bombay, etc. is the question of the future administration of customs outports. These outports are at present administered as follows:—Those in Madras are entrusted to the staff of the combined Customs Salt and Abkar Department, and those in Bombay to the Salt and Excise Department. The outports in Bengal, Burma and Sind are generally administered by the staff employed at the principal ports in those provinces. The question of providing for their administration under the proposed scheme is one of some difficulty, but the Government of India are inclined to consider that it should be capable of solution on the following lines. It is proposed that the whole administration of sea customs and the customs staff should only be imperialised at such ports as are of sufficient commercial importance to justify the maintenance of a separate staff. For the administration of such ports, the Government of India propose to create a subordinate customs service for each province, the members of which might suitably be styled "Extra Assistant Collectors of Customs."

This service would be placed under the direct control of the Controller General in matters of establishment. It is suggested that officers of this service should not be transferred from one province to another save in exceptional cases. All other ports, *i.e.*, all such as are not considered to be of sufficient importance to justify a separate staff, would be closed to foreign trade. The arrangements required for carrying on preventive or coast-guard work at such ports might, in the opinion of the Government of India, be left to local officials under the Government of Bombay etc, who would act in this connection as agents of the Central Government. The Government of India recognise that it may be necessary to make assignments

to the local Governments in this connection so as to provide for a share of the salaries of the officers engaged in work of this nature.

9. A further question of some difficulty is that of the land customs. In the opinion of the Government of India, if the administration of sea customs is centralised, that of land customs should logically be treated in the same way. For the present, however, the Government of India see no objection to the continuance of the existing arrangements, pending a full consideration of the whole question after the appointment of a Controller General of Customs.

10. I am now to request that the Government of India may be favoured with the views of His Excellency the Governor in Council on the above scheme generally, after consulting the commercial public. In particular, they would be glad of local Governments' opinion on the proposals outlined in paragraph 8 of this letter; and I am to request that they may be furnished with definite proposals as to the customs outports in Bombay etc., the administration of which can suitably be taken under the direct control of the Government of India. Finally, I am to ask that the Government of India may be furnished with :—

(1) detailed information as to the staff at present employed in the office of the local Chief Customs authority and in the local Secretariat in dealing with customs work and the cost of such establishment, together with the number of receipts and issues dealt with by them; and

(2) an estimate of the allotments, if any, from Imperial revenues which may be considered necessary to meet the cost of the administration of those outports which, in the opinion of the Government of Bombay, etc, should not be taken under the direct control of the Government of India.

11. If the changes indicated in this letter are finally decided upon, the Government of India would like to carry them into effect as soon as the necessary legislation can be carried through. I am therefore to request that a special effort may be made to send a reply to this letter not later than January 31st next.

I have etc.

H. A. F. LINDSAY.

Secretary to the Government of India,

T 181.

13th March, 1922.

To

The Under Secretary to the Government of Bombay,
Revenue Department.
BOMBAY.

Sir,

I am directed by my Committee to acknowledge receipt of your letter 3455/G. dated the 6th December 1921, asking for the opinion of this Chamber on the proposals of the Government of India on the Centralisation of the Customs Department.

2. My Committee have carefully considered the arguments for and against the proposal as detailed in the Government of India's letter of the 24th November to the Local Governments and regret that they are not satisfied that any strong case exists for the proposed changes and my Committee would, therefore, recommend that in view of the state of the finances of the country and the urgent need of retrenchment in all possible directions these proposals be dropped for the present.

3. My Committee are unable to agree that a central authority directly under the Government of India and not in day to day touch with the most important importing points in the country would be better able to satisfactorily solve the problems that arise from day to day than the Chief Collectors of Customs at the various ports and suggest that instead of the proposed Central Authority the Chief Collector of the leading ports be formed into a Board that should meet once a year or more frequently if same is desirable and decide upon questions of administration etc. and make suitable recommendations to Government of India. This Board should also be empowered to hear and decide appeals from the decisions of individual Collectors of Customs. Such a Board, my Committee think, will be able to attain the objects of uniformity of interpretation and co-ordination of rulings that the new scheme aims at and will have the advantage of the expert knowledge and experience of the men who have to deal with such problems every day.

4. As for the needless delay in referring important matters to the Government of India through the Local Governments, my Committee think it should not be impossible to devise machinery similar to that which obtained in the war by which they corresponded direct with Collectors of Customs at the various ports.

5. My Committee would further deprecate the idea of closing to foreign trade any ports that are not considered to be of sufficient importance as they consider that such a step would be a hindrance to the economic development of the country in the most natural directions.

I beg etc.

S. M. MUZUMDAR.

Ag. Secretary.

APPENDIX 16.

Representation of the Chamber re: the Budget of the Government of India.

Telegram sent by the Indian Merchants' Chamber and Bureau, Bombay, to the Secretary to the Government of India, Finance Department, Delhi on the 4th March 1922.

"Indian Merchants' Chamber strongly protest against enormous increase taxation this year making nearly fifty crores additional in short space of two years. They consider burden absolutely oppressive both to industrial classess and masses and tending to seriously set back progress of country. They strongly advocate firstly drastic retrenchment Military expenditure and readjustment of Indian and British strength as latter five times more expensive. Secondly abandonment of further operation in Waziristan. Thirdly retrenchment Civil heads at least three crores. Fourthly scrapping Imperial Departments for subjects now become transferred. Fifthly if absolutely necessary diversion of six crores of interest earned in Paper

Currency Reserve and excess of Gold Standard Reserve to revenue which Chamber consider permissible in view of proposed repayment four crores Treasury Bills held by public. Any deficit still remaining, to be made up from Customs. Chamber strongly protest raising Excise Duty as contrary to specific pledge by Government in 1916 and only due to yielding to selfish clamour of Lancashire vested interests also inequitable because Indian Mills will have to pay heavy duties machinery dyes stores from which Lancashire absolutely free. Chamber consider keeping exchange two shillings basis very misleading and tending to conceal figures of expenditure under different heads, and making out as loss in exchange what is really part of current expenditure. Chamber view with dismay proposals cancellation of notes as certain to invite most severe financial crisis and prove disastrous not only to trade and industry but also to Government finances.

Detailed representation follows.

Secretary, "Inchambu."

No. T. 162.

Bombay, 6th March 1922.

To

The Secretary to the Government of India,

Finance Department,

DELHI.

Sir,

I have the honour to submit my Committee's views on the Budget presented in the Lagislative Assembly by the Hon. the Finance Member on the 1st instant.

2. The Budget is one which cannot be considered with equanimity in view of the appallingly high taxation that it necessitates, if approved by the Assembly. The country is gravely perturbed in view

of the fact that this Budget follows the previous one wherein an increase of taxation to the extent of some 18 crores was sanctioned by the Assembly. The net result of the working of the first two years of the Reformed Councils would be an increase of almost Rs. 50 crores of annual taxation on a population of 33 crores which means fully Re. 1-8 per head per annum. This becomes positively depressing, when it is borne in mind that these increases are sought to be imposed at a time when all the countries that were engaged in the war, specially the victorious Allies, have begun to reduce taxation and expenditure. England herself is strenuously endeavouring to effect large reductions in this direction, being forced to it by the stress of economic conditions. My Committee submit that in India the same economic conditions have been reached by now and bearing in mind the fact that commercial and industrial depression is severe here, they cannot contemplate but with grave concern, the disastrous effect that such heavy burdens will produce.

3. During the period of the war, considerable increase in taxation was imposed and out of the apparently affluent resources of the country large sums of £100,000,000, and £45,000,000 were voted as special war contributions to England by India. Immediately the war was over, large loans had to be floated to rehabilitate the railways of India and very considerable taxation had to be imposed to keep the administration going. The deficit that the Budget shows is due not to increased expenditure on any works of public utility, but simply to meet the ordinary expenses of the existing administration of the country. My Committee feel that it is absolutely necessary to cry halt to expenditure on such a basis as cannot be met by the existing sources of revenue and to that end my Committee beg most respectfully but emphatically to suggest that very considerable and wholehearted retrenchment should be made in the following directions :—

(*a*) The Military expenditure should be curtailed in the direction of reducing the strength of the army in India, which at present is on a war footing against a first class European power. The danger of any invasion by an enemy of such a calibre may safely now be laid aside.

The danger from Russian Bolshevism, as far as my Committee are aware, is also very remote and generally speaking, the requirements for defence on the Frontier, particularly after the Afghan Treaty safely warrant a substantial reduction in the Military Budget. The operations in Waziristan and the results of the same, as known to my Committee, necessitate under the present financial conditions an absolute withdrawal. The net saving on these lines should be very considerable and my Committee would welcome figures and a close scrutiny of them by the Assembly.

My Committee understand that about the year 1860 the proportion of the Indian sepoy to the British soldier was 8 to 1. They are informed that the present proportion is 2½ to 1 and in view of the fact that the Indian sepoy costs Rs. 411 per year against Rs. 1,971 for the British soldier per year, the interests of economy necessitate the reduction of such a costly disproportion in the relative strength of the Indian and British units. My Committee are not unaware of the common-place defence of this disproportion on grounds of the prevailing unrest in India and the necessity, therefore, of maintaining the existing proportion. That the present unrest is to no inconsiderable extent due to economic causes, amongst other causes would hardly be disputed. In, therefore, keeping up the Military expenditure to the exceedingly heavy figures mentioned in the new Budget the Government are moving in what may well be styled a vicious circle. For a heavy Military Budget necessitates increased taxation which in its turn tends to economic poverty which is one of the root causes of the political unrest. If in spite of this, vested British interests in India which unfortunately cannot command a broader outlook compelled the Secretary of State to keep up the British army to its present strength, would it be wrong, in view of the Budget presented, to suggest that the Assembly should insist on such alarmists to pay for their imaginary needs of safety.

(*b*) The expenditure on the Civil heads is roughly Rs. 20 crores. My Committee feel that the Imperial Departments of Education (including Local Government and

Sanitation) and Agriculture (including Revenue) which subjects are "transferred subjects" in all the Provincial Governments, should now be done away with or at least very materially reduced. My Committee understand that there is sitting a retrenchment Committee of the Assembly at Delhi, but their report the Government may not have for some time to come. They, however, submit that there is no reason to maintain those Departments any longer in the Government of India and they would suggest therefore immediate and substantial retrenchment in this direction.

4. Among other methods of meeting this enormous deficit, besides retrenchments suggested, my Committee would, if absolutely necessary, even advise the suspension of the procedure by which all the interest earned in the Paper Currency Reserve and the excess of over £ 40,000,000 in the Gold Standard Reserve is to be applied in the reduction of the securities created *ad hoc*. The Hon. the Finance Member says that the amount so available in the next financial year will be some Rs. 6 crores and my Committee would recommend diverting this Rs. 6 crores to revenue account. As it is proposed to pay off Rs. 4 crores of outstanding Treasury Bills this year, the largest part of this 6 crores will really be going towards the reduction of floating debt and not towards current expenditure of Government, a direction to which the application of such interest earnings may be held objectionable.

5. With reference to further taxation sought to be imposed my Committee view with alarm the increases in the duty on salt, the charges for postal service, especially the increase on post cards and the duty on kerosene, all of which are items which affect the masses.

6. The proposed increase in the Cotton Excise Duty is an item on which the opinion of my Committee may be misunderstood or misconstrued. The location of this Chamber in Bombay unfortunately lends some critics an excuse to identify, absolutely incorrectly we submit, the views of this Chamber with those of the Millowners' Association. Even at the risk of such unwarranted misconstruction

in such quarters, my Committee feel it their duty to emphatically protest against the enhancement of the Cotton Excise Duty on the following grounds:—

7. The increase is a further proof of the Government of India yielding to the selfish clamour of the vested interests of Lancashire. My Committee need only tender in proof the interview in March last year that the Secretary of State for India had with the deputations from the Manchester Chamber of Commerce and the Cotton Spinners' and Manufacturers' Association, Manchester, the United Textile Factory Workers' Association, Accrington, the Allied Association of Bleachers, Dyers, Printers and Finishers, Manchester, etc. A perusal of these proceedings will remove any doubt that the increase in the Excise Duty, even on the plea for securing more revenue and even though apparently counter-balanced by a corresponding increase in import duty on cotton goods, is but a sop to the vested interests of Lancashire,—a position which the Government of this country must refuse to countenance any longer. To say the least, it is derogatory to the self-respect of our legislature under the Reformed constitution.

8. My Committee need only point out in this connection one aspect of the situation generally overlooked even by those vested interests, namely, that any attempt to impose a burden on the Indian cotton industry, means facilitating to that extent, inroads of foreign competitors for the exploitation of Indian markets.

9. My Committee beg to quote hereunder from the speech delivered by His Excellency the Viceroy (Lord Hardinge) on the 24th March 1916, during the discussion on the Budget of the Government of India for the year 1916-17 (*vide* page 375 of the Financial Statement and Budget for 1916-17 published by the Government of India, Finance Department, in 1916):—

"Sir William Meyer has explained the attitude of His Majesty's Government towards the proposal made by the Government of India that, in the new taxation proposed in this Budget, the import duty on cotton should be raised, leaving the Excise Duty on cotton at its present rate, an assurance being given by His Majesty's Government of the

future abolition of the Excise Duty as soon as the financial situation would permit of such a course. He has also explained that His Majesty's Government feel that the raising of this question at the present time would be unfortunate, since it would provoke the revival of old controversies at a moment when it is specially desired to avoid all contentious questions both in England and in India, and that it might prejudice the ultimate settlement of larger issues raised by the war. I need hardly say that the Government of India have no desire to create controversy here, in England, or anywhere else at the present time, by the discussion of questions affecting Indian interests, but they are glad to have had the opportunity of placing on official record their views that the import duties on cotton fabrics should be raised, and that the Excise Duty should for the present remain at its actual figure, and an assurance given that it would be abolished as soon as financial considerations will permit."

10. India looks upon this as a definite pledge that Excise Duty could change in one direction and one direction only, namely, its abolition when the financial conditions permit. Any effort, therefore, at raising the Excise Duty even on the excuse of increasing the Revenues would be, my Committee submit, a breach of faith.

11. A further ground on which my Committee are opposed to the increase in the Excise Duty is, that with the proposed increase in the import duty on stores and spare parts of machinery, the Indian industry will be a good deal worse off than before. The proposed increase of duty on these is bound to increase the burden on the industry to an extent uncompensated for by the increase in the import duty on cotton goods. A note on this as submitted by one of the members of the Chamber is annexed herewith marked "Appendix A."

12. Regarding the proposed increase of duties on imports of machinery my Committee feel that any such increase would militate against industrial development of India. The duty on imported machinery has been kept at the low figure of 2½ per cent. to avoid any handicap to new industrial ventures. Any increase in this duty would tend to stop the growth of new industrial enterprises in this country and should certainly not be contemplated unless and until an allround protective policy is definitely adopted.

13. My Committee notice that the Hon'ble the Finance Member sees no indications that would justify his assuming an average of exchange of more than one shilling four pence, which is accordingly the figure used for Budget purposes. They notice, however, that the accounts are still maintained on a two shillings basis. My Committee see no sound reason for continuing to do so except that this is the rate that Government tried to lay down by Law. My Committee think it would be equally easy to base both sides of the accounts entirely on one shilling four pence. The present practice is objectionable on the ground that it keeps back from the public the fact, that under certain heads Government are really spending many crores of rupees more than the figures in the Budget indicate. For example, if in a certain Department the Government estimates expenditure to be £ 10,000,000 on present system of the Budget, that Department would be debited with Rs. 10 crores on a two shillings basis and Rs. 5 crores would be shown as loss in exchange whereas in fact Rs. 15 crores would be actually spent by the Department. To avoid any such misunderstanding my Committee would suggest that each Department must individually be credited or debited with the profit or loss in exchange incurred by it and there should be no debit made collectively under the head of loss by exchange.

14. My Committee notice that further sums of money are proposed to be raised by loans for new Delhi. As expenditure of this kind must necessarily be unremunerative, my Committee feel that the Government of India must postpone raising loans for any new unremunerative work till their finances are on a better footing. Beyond the absolutely necessary completion of work which may already be in hand no more money should be spent on new Delhi, till taxation can be materially reduced.

15. Income-tax and Super-tax are often—though incorrectly—regarded as taxes to which there can be no objection since their incidence falls on such classes as can well afford to pay them. It is not realised, my Committee feel, that these taxes are taxes on capital and that any increase in them would adversely affect the sinews of industry. Capital in this country is still shy and reluctant to enter into commercial and industrial enterprise. Further increases in Super-tax

are bound to hamper the growth of Indian industries and commerce. My Committee have no doubt the Government of India can have no such intention but they desire to point out the effect of the further increases in these taxes. My Committee would like to point out in this connection the serious and persistent agitation in England against the Excess Profits Duty on similar grounds.

16. In conclusion, in view of what has been said above my Committee would urge drastic economy and retrenchment in all directions, especially in the Military Budget. To meet any deficit which there may still remain my Committee would recommend to the Government of India the imposition of such of the proposed taxes only, as would neither affect the masses of the country directly, nor hamper materially the development of India's industries.

17. I beg to forward herewith a copy of a note expressing Mr. B. F. Madon's views on the proposal in pragraph 36 of the Hon. the Finance Member's Budget speech, which views are generally endorsed by my Committee.

I beg etc.,

PURSHOTAMDAS THAKURDAS.

Chairman.

APPENDIX A.

By raising the import duty on foreign piece-goods from 11 to 15 per cent. there is a corresponding rise in the excise duty on all Indian made clothes from 3½ to 7½ per cent. so that for mere layman it would look as though the Indian Mill-owner has been saddled only with this 4 per cent. duty on his products. The Indian Mill-owner from this year will have, in addition to the 4 per cent-increase in the excise duty, to pay an extra 4 per cent. on all stores, accessories, sizing materials, etc., and an additional 7½ per cent. on all machinery and accessories imported, to say nothing of the increase of 2 pies more in the Income-tax. No account has been taken in this of any other increase on dyeing charges. Therefore, taking the production of a large Mill in Bombay at last year's figure the present duty will work out at 9·8 per cent. on all manufactured cloth as against 4·5 per cent. which was the case before the budget was introduced. The value of cloth was Rs. 1,41,00.000.

	Rs.
Last year the duty on stores at 11 per cent. paid by this Mill was	88,000
Excise duty at 3½ per cent.	4,96,000
Duty paid on machinery and machinery parts ...	50,212
Total ...	6,34,212

Whereas this year the same will be required to pay on the same valuation of cloth the following amounts:—

	Rs.
Duty on stores at 15 per cent.	1,20,000
Excise Duty at 7½ per cent	10,63,000
Duty on machinery and machinery parts ...	2,00,848
Total ...	13,83,848

In the statement nothing has been taken in account with regard to the proposed increase in goods traffic, tax on oil and other small accessories which are essential for efficient running of a Mill. These again will be a charge on the Mill.

To work the taxes to a percentage basis the import duty from 11 to 15 per cent. works out at a little over 36 per cent. whereas the Excise duty from 3½ to 7½ per cent. works out at over 114 per cent. To take only a small item and a very important item too in the case of Cotton Mills is the quantity of iron hoops generally used in the baling of both cotton and cloth. At an average a large Mill of the description mentioned above presses something like 50,000 bales of cloth and over 40,000 bales of cotton and in the baling process a large quantity of hoops is required. Raising a duty from 2½ to 10 per cent. that is exactly 300 per cent. duty on this will be additional burden on Indian Cotton Mills.

It will thus be seen that the Indian Mills will be hit very hard indeed by an additional taxation of about 5 per cent. more than what they were paying last year. Whereas a correspondingly increased duty has not been imposed on foreign piece-goods.

Note from Mr. B. F. Madon regarding the new Budget, 1922-23.

In para. 36 of his statement on the Budget the Hon'ble the Finance Member speaks of the ways and means for remitting funds to England and makes certain proposals which, we believe, are liable to the strongest objection. He tells us that it was proposed to do it by ear-marking funds to the credit of the Gold Standard Reserve, and that was to be done by transferring gold from the Paper Currency Reserve which contained £24 millions in sovereigns and gold bullion to the Gold Standard Reserve. In order to do this he said it would be necessary to make equivalent payments to the Currency Reserve and thus cancel notes to the necessary extent, and that the net result is a cancellation of notes in this country, an operation that, he says, is generally known as deflation.

Now, if we closely look at the operation that is proposed to be carried through, it really amounts to paying out part of the reserves in our Paper Currency Department to meet the requirements of the Secretary of State. It may be claimed that India has to meet liabilities in England and that it has, therefore, to put the Secretary of State in funds in some way and that if Council Bills could not be sold in the usual way, the Government must have recourse to this method of remittance to the Secretary of State; but we will respectfully point out that it is entirely wrong to avail of the Paper Currency Reserves in this way. We may point out that for the last few years England itself has been a very large debtor to America and yet nobody in England has dared to suggest that any portion of the gold in the note issue Department of the Bank of England should be touched in order to meet England's liability to America. Instead of that they have carried on in the best way possible by short term borrowing in America until the trade situation could be improved or until the American debt can be funded. Therefore, what the Secretary of State should also do to-day is to finance himself by similar short term borrowing in London until the trade situation of India improved and India was in a position to remit funds through her balance of trade in the ususal way. We must most strongly protest

against the removal of any part of the gold in the Paper Currency Reserve to the so-called Gold Standard Reserve whether the same is to be held in India hereafter or in England.

The Hon'ble Member speaks of another 6 crores of deflation making up, with the money to be remitted to the Secretary of State, a total of 33 crores and he contemplates the cancellation of a considerable part of, if not all, of these notes. Now, it is known to every banker and merchant that the total loans and advances form from 5 to 8 times the amount of the cash in hand, so that this cancellation of 33 crores from circulation would cause a most severe financial crisis here as it would mean the withdrawal of loans and discounts of anything from 150 to 200 crores from trade and industry. The Hon'ble Member seems to appreciate the dangers of any such operation because he says "Government recognise fully the responsibility on them not to go too far or produce such a sudden or rapid stringency as might lead to a *dangerously acute position.*" If Government really appreciate the position, we would call upon them not to contract Currency to any extent whatsoever by such artificial means of financing the Secretary of State. The amount to be remitted is some £17½ million and it should not be impossible for the bankers of the Secretary of State to find him that amount of accommodation on short term notes until India's balance of trade again became favourable. If for any reasons these bankers are unable to accommodate the Secretary of State, and if it is still necessary to provide him with the £17½ million that he requires it should be done not in the way proposed but by a direct loan from the Gold Standard Reserve in England, and that in any case the Gold in our Paper Currency Reserve should not be touched.

Now we come to the item of 6 crores spoken of above. We are told that this is in application of the interest on our Paper Currency Reserve investments and of any excess in the Gold Standard Reserve in England that may accrue over £ 40 million to the cancellation of notes issued against our *ad hoc* securities in India. The Hon'ble Member seems to be under the impression that under the Paper Currency Act we are bound to apply the interest in cancellation of notes but this is not what is provided for in Section 13 of the Indian

Paper Currency (Amendment) Act of 1920. That Section provides for all interest derived from the securities in the Reserves to be applied to a reduction of "created" securities and not to the cancellation of notes. If we look at the reasons which necessitated such a course we shall understand the right method of application of accrued interest, etc. As we know the unfortunate Reverse Bills operations of 1920 depleted our reserves and created a gap of some 40 crores in them, and in order to provide the necessary backing that was wanting the Government created these Bills and for the time being made it appear that the reserves were intact but these were merely I. O. Us. signed by them for which no actual cash had ever been received from the public. The object of the above provision was to gradually substitute a real reserve for this bogus reserve and, therefore, what should be done to-day is to re-instate the backing which had been destroyed by the unfortunate operations of 1920, and that should be done by applying the proceeds of the interest, etc., to buying either

(1) Sterling securities, (2) Gold, or (3) Silver,

and putting it in the reserves and taking out the "created" securities to an equivalent extent and cancelling them. The Government would thereby have paid off a part of its debt to the Paper Currency Reserve in the only way that it should be paid off seeing that it was the reserves that had been destroyed and that ought to be reconstituted. There is nothing in the Paper Currency (Amendment) Act to make it incumbent on the Government to cancel notes to an amount equivalent to the interest that they have in hand and we would most strongly urge that Government should adopt this method of re-building our reserves instead of their practice of the last 12 months of cancelling notes. Government cannot be unaware of the disastrous results of this kind of operation, because the Hon'ble Member admits in one place that a sudden tightening of money in Bombay led for a time to distinct embarrassment and that the Government found great difficulty in getting sufficient money on Treasury Bills in spite of giving very much more favourable terms. What surprises us is that Government should not appreciate that it is their unjustifiable cancellation of notes against charges credited to the Paper Currency Reserve that is responsible in a great measure for the stringency noted in the

money market and that it will be best not only for the trade and industry but for the finances of the Government themselves that they should desist from such procedure.

We would even go so far as to say that in case the Secretary of State does not think it advisable to borrow from the Gold Standard Reserve and at the same time could not find the necessary short term accommodation from his bankers, we should give up or postpone some of the heavy railway expenditure in England that Government contemplate for the current year. If English manufacturers want our orders and if the English Government is keen on getting employment for its working classes it is up to them to find for us the necessary amount as they are so keen to do, through the Export Credit Scheme, for various countries on the Continent whose financial condition is far poorer than that of India.

There is another aspect to this question. Government have given repeated assurances during the past 12 months of their determination to no longer meddle with our Currency. It is, therefore, pertinent to point out that the remittance of funds to the Secretary of State in the way contemplated in the statement of the Hon'ble Member is tantamount to a resumption of the sales of Reverse Bills which had been so universally condemned two years ago. For what are Reverse Bills? You offer to give pounds (£) in London out of our reserves to the man that comes to you in India with his rupees. Two years ago it was done in exchange for rupees tendered by the public, so that there was some show of justification for the sales then made. To-day it is the Government of India that goes to the the Paper Currency Department and tenders rupees here and wants Sterling from the same Paper Currency Reserve. It will be seen that the Paper Currency Reserve is again asked to sell Reverse Bills though this time not to the public but to the Government. It is only who gets the reverse Bills that is different. The operation is absolutely identical and these are Reverse Bills all the same. If the public come for such Bills to the Currency Department and tender their notes in exchange for gold (or Sterling) in England it is a natural operation of trade and its consequences on the money market are limited and tend to automatically right themselves before the thing goes too far. But if the Go-

vernment uses this method to convert their rupees the position is much more dangerous as it puts a very dangerous power into the hands of Government of contracting or expanding Currency as they please.

There is a further aspect to this question. The Hon'ble Member tells us in the end of para. 37 that what he had said should "dispose of any apprehensions that the business community in India may still feel as regards the Secretary of state's unlimited powers to force up exchange to the two shillings level." Now as we know very well making the Currency scarce is the one most effective method of forcing up exchange and it was this method that was used in the few years after the closing of the Mints to force up the rupee to sixteen pence. The Hon'ble Member proposes to very considerably contract Currency in circulation and many times that amount of credit and will, therefore, be using the most powerful method of artificially forcing up exchange and any disavowal of such intentions on the part of Government will not be of any help to the commercial community. If they use this one most powerful method of forcing up exchange, exchange must be forced up although in the process there may be a financial crisis owing to the withdrawal of credit facilities on such an enormous scale. On this further ground also it is clear that Government should desist from the methods of remittance that they contemplate as described in the statement of the Hon'ble the Finance Member.

No. 856-F.

GOVERNMENT OF INDIA FINANCE DEPARTMENT.

Delhi, the 18th March 1922.

To.

The Chairman, The Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I am directed to acknowledge the receipt of your letter No. T. 162, dated the 6th March 1922, conveying the views of your Chamber

on the Budget of the Central Government presented to the Legislature on the 1st instant. The Government of India appreciate the full and reasoned statement of views contained in your letter and I am desired to convey their thanks to your Committee for them. 2. The criticisms contained in your letter on the proposals for new taxation agree substantially with those made during the general discussion of the Budget in the Legislature, and will receive full consideration during the passing of the Finance Bill. The same remark applies to your suggestion that the Indian Paper Currency Act should be amended so as to suspend the provision under which the interest on investments of the Paper Currency Reserve is earmarked for the reduction of created securities in the Reserve and that the interest in question should be treated as an item of revenue, as was done before the provision referred to was introduced by the Paper Currency legislation of September 1920.

3. The similar suggestion that the assets of the Gold Standard Reserve in excess of £ 40 millions should be credited to the revenues of the country however, stands on a different footing. As your Chamber is aware, this reserve has been built up for a special purpose from the profits on rupee coinage and from the investment of such profits in sterling securities, and no portion of these assets has, since the constitution of the reserve, been treated as an item of revenue. When the Finance Member introduced the Paper Currency Legislation of September 1920 in the Indian Legislative Council, he undertook to devote the excess in the assets of the Gold Standard Reserve over £ 40 million to the reduction of created securities in the Paper Currency Reserve; such utilisation of the assets of the Gold Standard Reserve was closely connected with the policy in regard to the maintenance of the exchange value of the rupee for which purpose the Reserve was constituted, the issue of created securities to the Paper Currency Reserve having been necessitated by the revaluation of sterling holdings in that Reserve on the 2sh basis. It may, no doubt, be argued that if the Paper Currency Reserve were now revalued on a 1sh. 4d. basis, a portion of those created securities would disappear. I am to point out, however, that whether such revaluation be carried out or not, a proposal to divert any of the assets of the Gold Standard

Reserve and to credit them to the revenue account, to meet the expenses of ordinary administration, involves a material departure from the policy underlying the constitution of the Reserve, and appears to the Government of India to require some fuller justification on its merits.

4. In the concluding portion of paragraph 4 of your letter you observe that if the 6 crores of interest on the Paper Currency and Gold Standard Reserves are diverted to revenue, the greater part of this sum will really be devoted to the reduction of floating debt as the Budget contemplates the discharge of 4 crores of treasury bills in the coming year. I am to point out that this observation will be correct only if the diversion of these resources to revenue results in a substantial revenue surplus. The Budget as presented to the Legislature left an uncovered deficit in the revenue account and unless this deficit is converted into a substantial surplus when the Budget and the taxation proposals have been dealt with by the Legislature, the diversion suggested by your Chamber will have the effect of devoting the interest to meeting the current expenditure of Government, an object to which, in the words of your letter, the application of such interest earnings may be held objectionable.

5. As regards the plea for the retrenchment of civil and military expenditure put forward in your letter, this matter has, as your Chamber is aware, been recently engaging the serious consideration of Government, and they hope to make an early announcement of the constitution of a strong Retrenchment Committee.

6. The suggestion in paragraph 13 of your letter regarding the method of showing the adjustments for exchange in the accounts will receive the consideration of the Government of India.

7. I am to refer in conclusion to the interesting note by Mr. B. F. Madan enclosed with your letter. That note, in the main, develops certain difficulties in carrying out the financial operations of the coming year to which the Finance Member referred in his Budget speech of the 1st March. As observed in that speech, the Government of India are alive to the precise effects of these operations on the money markets in India and will bear these effects in mind in

determining during the course of the year the extent to which and the precise time at which the operations in question should actually be undertaken. The alternative suggestions made in that note including the one that the Secretary of State should finance himself for the present by short-term borrowing in London will also receive consideration.

I have etc.
C. M. COOK.
Secretary to the Government of India.

APPENDIX No. 17.

Levy of a Cess on Cotton.

No. 3671-A. Revenue Department, Secretariat, Bombay.

Dated the 12th January, 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau.

Subject.—Levy of a cess on cotton.

Sir,

I am directed by the Government of Bombay (Transferred Departments) to forward a copy of a letter from the Government of India No. 1566-262 dated 16th December, 1921 on the question of the levy of a cess on cotton to meet certain expenditure in connection with the Central Cotton Committee, and to request that Government may be favoured with the opinion of your Chamber on the proposals contained in the letter.

2. Government would be glad to know what effect in the opinion of your Chamber the proposed cess would produce on the cultivator and whether your Chamber would consider advisable the making of a direct contribution by the trade and the consuming mills to the Central Cotton Committee.

I have etc.
SHAMARAO D. MANKAR.
for Under Secretary to the Government of Bombay,
Revenue Department.

Accompaniments.—Letters with accompaniment.

No. 1566-262.

Government of India, Department of Revenue and Agriculture.

AGRICULTURE.

From,

J. W. Hearn, Esq., I.C.S.,

Under Secretary to the Government of India,

To

The Secretary to the Government of Bombay,

Revenue Department (and other local Governments.)

Proposal for the imposition of a cess on cotton.

Sir,

In paragraph 202 of their report, the Indian Cotton Committee recommended that a cess of eight annas per bale should be levied on all cotton consumed by the mills in India as well as on all cotton exported, in order to provide funds for the additional staff required to cope with the expansion of work on cotton recommended by the Committee. As explained in Mr Mant's letter No. 1248, dated the 28th November 1919, and the Press Communique issued by the Government of India on the 7th April, 1920, the Government of India were unable to accept the proposal at the time since the method of finance suggested by the Committee would not have been in consonance with the financial arrangements proposed under the Reforms Scheme, the main feature of which is the complete separation of Imperial and Provincial finances. It was explained that since agriculture was to be a provincial subject expenditure on the measures advocated by the Committee would be debitable to Provincial revenues while if it should at any time become necessary to impose a cess for revenue purposes on cotton consumed in mills or exported the proceeds, being of an all—India nature, would be finally credited to Imperial revenues. For these reasons the Government of India decided not to take any action on the Committee's proposals.

2. The question has now been reopened by the Indian Central Cotton Committee constituted by this Department's Resolution No. 404–22, dated the 31st March 1921, who discussed the matter at their first meeting held at Bombay on the 21st July 1921, and I am to enclose a copy of a letter from the Secretary, No. 582, dated 1st August 1921, forwarding the proceedings and recommendations of the Committee on the subject. Briefly these recommendations are that a cess of four annas per bale of 400 lbs. should be imposed on all commercial cotton as well as on exports and that the method of collection should be left to the Government of India to decide. The imposition of the cess is recommended for a period of 5 years in the first instance on the condition that provision is made for its reduction before the expiry of that period should the Central Cotton Committee recommend this course. The proposal as now put forward by the Committee is free from some of the objections previously urged against the recommendations of the Indian Cotton Committee, in as much as it is contemplated that the proceeds of the cess should be devoted exclusively towards the expenses of the Central Cotton Committee and in particular towards the provision of funds to meet the cost of the Committee's proposals in respect to technological and agricultural research on cotton, objects the expenditure on which may be legitimately met from Central Revenues. Before considering the matter further, however, the Government of India would be glad to have the local Government's views on the following points :—

your

(*a*) whether it is desirable that a cess should be imposed on cotton to meet expenditure connected with the activities of the Committee.

(*b*) if so, whether the cess should be confined to exports or should be extended to all cotton consumed in the mills, as recommended by the Committee;

(*c*) in the event of the local Government favouring the application of the cess to all commercial cotton, whether the best method of collection would be at the mills and ports, as suggested by the Committee, or at the baling presses,

you

and whether in either case any difficulty is anticipated in obtaining the consent of the Darbars of Indian States to the collection of the cess from mills located within their territories.

3. In order to enable the Local Government to consider the matter in all its bearings, I am to communicate to you the following additional observations.

The Central Cotton Committee urge that the first and most important measure to be undertaken is the appointment of a technologist who must be equipped with a suitable laboratory and apparatus. The estimated initial expenditure involved in this scheme is Rs. 3½ lakhs together with a recurring grant of Rs 1 lakh. In addition the annual budget of the Cotton Committee itself, apart from research works, is estimated at about a lakh of rupees.

The Government of India see no objection to the industry itself being taxed to provide the necessary funds, especially as the question of the proposed cotton cess has been reopened by a prominent representative of the trade and was unanimously supported by all the non-official members of the Committee. But although it is the unanimous opinion of the Central Cotton Committee that the cess should be levied on all commercial cotton the Government of India feel that there are advantages in confining it to exports only, not the least of which is the fact that its collection at the ports would be a practically simple matter involving no extra expense to Government. Another point to be borne in mind is that the average annual exports of cotton during the five years ending 1920–21 are slightly over 2 million bales of 400 lbs. each so that a cess at the rate of 4 annas per bale on exports alone would yield a revenue of about Rs. 5 lakhs which would be sufficient to meet the cost of the Techonologist and his laboratory as well as the operations of the Central Cotton Committee. In favour of the Committee's proposal there is however the argument that if the cess is levied on all cotton including mill consumption it could be reduced to a rate sufficient to provide the funds required. The Government of India are also advised that if it should be decided to levy the cess on all cotton consumed in the mills, there should be

no difficulty in arranging for its collection by means of the establishment employed for the collection of the cotton excise duty.

In favour of the proposal of the Central Cotton Committee that unspent balances should not lapse it may be said that in the event of a considerable balance accumulating, it would be feasible still further to reduce the rate of the cess if considered necessary. The Government of India propose however to retain full control over the expenditure of the cess but would avail themselves of the advice and co-operation of the Central Cotton Committee in this matter. The receipts occuring from the cess will be emerged into Central revenues and the expenditure incurred as from general revenues but a separate *pro forma* account will be maintained of the receipts, expenditure and balance on account of the proposed cess and carried forward from year to year.

4. I am to add that the Government of India would be glad if they could be furnished with the considered opinion of the Madras Govt. etc.

on the whole subject at a very early date and in any case not later than 15th February next.

I have etc.

J. W. HEARN,

Under Secretary to the Government of India.

T. 209.

22nd March, 1922.

To,

The Secretary to the Government of Bombay,

Revenue Department,

BOMBAY.

Sir,

With reference to your letter No. 3671/A dated 12th January 1922, I am directed by my Committee to send you their opinion on the enclosure to your letter as under :—

2. Regarding the first point on which the Government seek my Committee's opinion, I am to say that my Committee have no doubt that the proposed cess would come out of the price of cotton available to the cultivator if the cess is put on (*a*) all cotton or (*b*) on cotton exported. India is the second best cotton producing country in the world producing on an average Bales 55–60 lakhs (400 lbs. each) against Amrica's Bales 12–13 millions at least (average) of 480 lbs. each. Now of this crop of 55 lakhs of Bales in India on an average 20–25 lakhs are exported and 20 lakhs are consumed by local mills, the balance being consumed in what is called non-foctory consumption. The price that the Indian cotton crop gets would normally be based on the price available for the exportable surplus, and this latter in its turn is naturally dependent on the course of the American market. There is invariably some difference under the average price of Middling American, for each variety of the Indian cotton crop in either Japan or United Kingdom or on the Continent, and any extra cost put on the handling of cotton has therefore to be deducted from the net price at which the spinner abroad buys Indian cotton. Any rise in sea-freight, Railway freight or Indian exchange is invariably adversely reflected in the net return to the Indian cultivator. During the war period there was a heavy rise in sea-freight and an additional charge for war risk insurance and a comparatively higher commission charged by the middlemen for the additional risk they ran. But these factors were common to both the continents of India and America growing raw cotton and hence the return to the Indian cultivator was not particularly affected. But if the Government of India put particular duties on the marketing of Indian cotton, it will be evident that this will affect the net return to the Indian cultivator. The tax of Re. 1 per bale on import of cotton in Bombay is an example in point, and my Committee need only refer to this as a concrete instance.

3. There is, my Committee are afraid, considerable loose thinking in this connection on the part of persons not in intimate touch with the cotton trade. Those persons are carried away under the impression that cotton which sells at Rs. 150 to Rs 250 a Bale and fluctuates within Rs. 50 to Rs. 100 a Bale during a season can very well stand an apparently light taxation of a few annas or even a few

rupees a Bale. This, my Committee submit is not a justifiable point of view and they trust that the Government of Bombay will not agree to any taxation on this most important of Bombay's raw produce under any such wrong impression.

4. The tax proposed by the Central Cotton Committee, it is contended, stands on a different footing as the proceeds of that are meant to be spent on research work in connection with cotton cultivation and not on the financing of the extension of Bombay city or any such extreneous subject. But the Central Cotton Committee themselves, my Committee understand, have accepted the broad principle which governed the Empire Cotton Growing Corporation's decision to raise funds for cotton improvement by a levy on all the cotton imported into England, namely, that special expenditure for the benefit of a particular industry should be met by that industry. On this principle the cess under question should be levied on cotton consumed in Indian mills and if this is done my Committee belisve that it will not come out of the pockets of growers of cotton in India. My Committee are against the cess being levied on cotton not consumed in Indian mills. Chapter XIX of the Indian Cotton Committee's Report recommends the formation of a Central Cotton Committee and its functions. Para 262 of it recommends a minimum of Rs. 2 lacs being placed at the disposal of that Committee for the various functions.

5. The subject under reference is only one part of the functions of the Central Cotton Committee. An improvement in the marketing of Indian cotton is, my Committee think, another very important part of the functions of the Central Cotton Committee. My Committee feel that the scale on which the Central Cotton Committee propose to spend on the technical side at the start is neither necessary nor desirable but they need not dilate on this here. They think Rs. 2,50,000 per annum is enough for the Committee to start with and to that end they suggest that a cess at the rate of 2 annas per bale on all cotton consumed in Indian mills will cover this amount.

6. The second question referred for their opinion is not so easy to answer categorically. The constitution of the Central Cotton Committee includes representatives of the Agricultural Department of the

whole of India concerned in cotton growing and a substantial representation of commercial men on it. Where various Provinces are concerned in the distribution of a grant, my Committee clearly perceive the difficulties of any Provincial control being maintained but they certainly feel that the Government of Bombay may justifiably expect the Central Committee to spend the proceeds of the proposed duty on the improvement of the special qualities grown in each province *pro rata* on such crops of each of the Provinces. The Committee believe that each of the cotton producing Provinces has its own special improvement scheme and it is only fair that all these should get consideration simultaneously up to a certain point.

7. In case of difference of opinion between the various Directors of Agriculture, the representatives of the commercial community handling raw cotton, who are on the Central Committee would be the best judges finally to decide. My Committee feel that subject to the above general conditions they would agree to the proceeds of the proposed duty being administered by the Central Cotton Committee.

8. My Committee are very strongly opposed to the accounts concerning this duty being mixed up with the Government of India Budget as they have very strong apprehensions that part of the proceeds of this duty may be diverted to carrying on such agricultural work as the Government may be doing at present out of their ordinary revenues, and full benefit of the duty may not be available for further development of cotton agriculture.

9. My Committee would also point out that it is very necessary that as few as possible non-Indian officers should be employed in connection with this research work. In the case of each such non-Indian employment the full reasons for such employment should be recorded. They further feel that none of such non-Indian staff should be engaged on an agreement of more than three years.

10. My Committee wish to say in conclusion that the Central Cotton Committee suggest an additional burden on the cotton trade without setting about organising methods of better marketing of cotton in up-country which will ensure better return to the honest

cotton-grower and middleman. It is hoped that both the Government of Bombay and the Government of India will draw the attention of the Central Cotton Committee to this.

I have, etc.,
S. M. MUZUMDAR,
Acting Secretary.

APPENDIX 18.

The Proposed change in the timings of the arrival and departure of the Foreign Mails.

No. 3324-D,

Revenue Department, Secretariat, Fort, Bombay.

Dated the 16th December 1921.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject:—Proposed change in the timings of the arrival and departure of the Foreign Mails.

Sir,

I am directed by the Governor in Council to forward copy of a letter from the Government of India, Public Works Department, No. 923 P. W. dated 14th November 1921 on the subject mentioned above and to request that this Government may be favoured with the opinion of the Chamber on the proposal made in the letter by the 15th January 1922 at the latest.

I have etc.

SHAMRAO D. MANKAR,
Under Secretary to the Government of Bombay,
Revenue Department.

Accompaniment.

A copy of the letter referred to.

Letter from the Government of India, Public Works Department No. 923-P. W. dated 14th November 1921, to the Chief Secretary to the Government of India.

I am directed to inform you that the present contract with the Peninsular and Oriental Steam Navigation Company for the conveyance of the Indian, China and Australian mails will terminate on January 31st 1924, and that the conditions under which tenders for a fresh contract for the carriage of Indian mails should be invited are now under discussion between the British Post Office, the Secretary of State, and the Government of India.

2. It is proposed that the service should consist normally of a service once a week from a port in the United Kingdom and from some port in the Mediterranean *via* the Suez Canal to Aden and Bombay, and vice versa. While parties tendering are at liberty to select any port in the Mediterranean as the Mediterranean port of departure and arrival, the forms of tenders are being prepared on the basis of a voyage between Marseilles and Bombay, for which alternative tenders will be called for for the following periods of transit, viz.; in :—

(1) 336 hours ; (2) 324 hours ; (3) 312 hours ; (4) 300 hours.

Such times will be inclusive of the time occupied by the passage through the Suez Canal, all stoppages at intermediate ports and all time, if any, occupied in the transfer of the mails from one ship to another. They will not include the time taken in the carriage of the mails between London and Marseilles which will be approximately 25 hours. Under the existing contract a maximum period of 270 hours is prescribed in either direction for the conveyance of the mails by the sea-route between Brindisi and Bombay, but it is not now proposed to reopen this route. Parties may tender for the conveyance of the Indian mails separately from those for China or Australia.

3. According to pre-war timings the mails were due to arrive in Bombay on Friday morning and to depart on Saturday. This arrangement was liable to cause a rush and confusion in Bombay during the interval between the arrival of one mail steamer and the

departure of the next. The hotels in Bombay tended to be overcrowded on Friday afternoon and night and travellers were put to considerable inconvenience. It has been suggested that a better arrangement would be for the outgoing mail to leave Bombay on Friday and the incoming mail to arrive on Saturday. It is anticipated that this arrangement would not prove inconvenient to the shipping companies, since it would avoid the clashing of the incoming and out-going mails at Marseilles where accommodation for two steamers at the same time is not available at the P. & O. wharf, and at Bombay would relieve them of the pressure under which they were required to work under the old arrangement on Fridays and Saturdays. It would suit the Indian Post Office since if the outgoing mail at Bombay were cleared on Friday, the staff would be ready to deal with the incoming mail on Saturday morning. From the point of view of the Railways, it would mean economy in the use of the three postal special trains, which would arrive at the Ballard Pier on Friday and be ready to leave again on Saturday. It is believed also that the travelling public would appreciate the change. In these circumstances, the Government of India would be gald if, after consulting the Chambers of Commerce and such other representative bodies as are likely to be interested in the question, the Government of Bombay would be so good as to favour them with an expression of their opinion on this point. They would also be glad to consider any other points in connection with the new contract which the Government of Bombay may desire to raise.

T. 215.

22nd March, 1922.

To,

The Under Secretary to the Government of Bombay,

Revenue Department,

BOMBAY.

Sir,

I am directed by my Committee to acknowledge your letter No. 3324-D, dated 16th December 1921, and to express regret for the delay in reply thereto.

Regarding the number of hours taken for mail letters to reach from London to Bombay, my Committee do not wish to offer any remarks, but it is their considered opinion that for reasons mentioned hereunder the mail contract with the Peninsular and Oriental Steam Navigation Company, which will terminate on 31st January 1924, should not be renewed. The most important of the reasons, which have impelled my Committee to come to this conclusion, is that the Peninsular and Oriental Navigation Company have deliberately tried by freight war and by iniquitous system of deferred rebates to kill all nascent enterprise of Indians in the matter of shipping, particularly in the matter of coasting trade. It is wrong in principle that a Company receiving subsidy from the Indian Government should be free to use their accumulated resources in any unfair manner to strangle the efforts of Indians themselves in the matter of carrying trade. Further, complaints have been received from time to time from the mercantile community as to the freight rates fixed between the various ports in India on the one hand and between ports of Arabia and East Africa, and between the ports of Europe on the other hand. These rates have been fixed by the ring of shipping companies in a conference in which the Peninsular and Oriental Steam Navigation Company have preponderating influence. The rates have militated from time to time against the interests of Indian producers and appear generally to have been fixed for the sole consideration of the shipping companies' interests. Any such injury to India by a Company which earns a subsidy, from this country, has always struck the members of my Committee as unfair. The treatment of Indian passengers of the highest social standing in India on boats carrying Indian mails has also not always been what it should be. My Committee feel that in all these matters the Peninsular and Oriental Steam Navigation Company have failed to give any regard either to Indian sentiment or to Indian interests because they have always felt confident in their influence in getting the mail contract renewed without the least question being raised. It is not suggested by my Committee that these are matters which could be enforced by any clauses that can be put into the contract but my Committee would earnestly request the Government to bear in mind these considerations and to regard this question not as a mere departmental item arranged to suit the post

office, but as a national question to be considered in all its general bearings.

Another reason for suggesting the non-renewal of P. & O. Company contract is the manner in which they escape taxation of all kinds or any direct legitimate contribution to the revenues of this country from the very large earnings which they receive from the Indian trade. My Committee fear that the provision introduced only last year to levy some income-tax on the shipping companies will not secure adequate contribution to the Indian revenues.

My Committee, therefore, venture to submit that, in the alternative, the Government should run their own mail services between Bombay and Marseilles. The system of Government mail service has been tried in countries like Canada and Australia with success and the system of mail service run by companies, in which the State has preponderating influence, has been tried by Japan. Every small European nation has also tried to run its own service, or at all events service run by companies belonging to and worked by the nationals of their own State. Even a small country like Holland is running a service of its own though there is no comparison between the total resources and trade of this country and those of Holland. My Committee composed of businessmen are not unmindful of considerations of economy, but they think that no price would be too high to pay for the opportunity of associating Indians with the task of managing the ships on the side of engineering, stores, traffic, freights, shipping accounts, and shipping repairs, which would be available on a Government mail service. The training of Indians in these directions could not be secured for them at all by any scheme worked conjointly with the Peninsular and Oriental Steam Navigation Company as it is run at present. Apart from the subsidy the other charges at present borne by the State for movement of goods on Government account, as well as for movement of officers to and fro may, to a certain extent, be saved by the adoption of the scheme suggested herein. My Committee do not desire at this stage to go into further details on the working of such scheme until the principle underlying has been considered and adopted by the Government of India. It may be helpful, they consider, to appoint a small Committee to work this scheme out in all these details.

Should the Government find it not possible owing to financial exigencies to provide for this fleet of ships immediately in time for the taking over of the contract from the Peninsular and Oriental Steam Navigation Company, my Committee would urge that the contract with the Peninsular and Oriental Steam Navigation Company should not be renewed for more than five years and, in any case, there should be a provision in the contract that without assigning any reason the Government of India should be at liberty to terminate it by giving six to nine months notice. Committing this country to a contract for a longer period in the face of universal acute feeling amongst Indians on the question of mercantile marine generally, and against the Peninsular and Oriental Steam Navigation Company combine as one that is primarily responsible for unfair competition, would be an injury to the interests of this country, which my Committee trust the Government of India will not consciously and avoidably inflict.

In view of what has been said above the question of the hours taken by mail letters between Bombay and London becomes altogether of subordinate interest, and my Committee trust that any decision of the Government in the matter of carrying mails between here and Europe will not be based on this consideration alone.

I beg etc.

S. M. MUZUMDAR,

Ag. Secretary.

Copy forwarded to the Secretary to the Government of India, Department of Commerce, with our letter No. T 229 dated the 23rd March 1922.

No. 3121.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

Simla, the 19th June 1922.

To

The Secretary, the Indian Merchants' Chamber and Bureau,
BOMBAY.

Renewal of the Eastern Mail Service contract with the P. & O. Steam Navigation Company.

Sir,

In continuation of the letter from this Department No 1817,* dated the 31st March 1922, I am directed to say that the Government of India have given their careful consideration to your original representation which was forwarded through the Government of Bombay. As was pointed out in this Department's letter No. 1636, dated the 24th March 1922, the Government of India have decided to refer to an expert Committee the question of the measures which should be taken to encourage and develop an Indian mercantile marine. They are, however, satisfied that the question of the mail contract between England and India should be kept entirely distinct, as in the general interests, commercial and otherwise, of India the primary object of a mail contract must be to secure the most efficient and regular service at the cheapest possible cost to India.

I have, etc.

J. B. TAYLOR,

Under Secretary to the Government of India.

T. 610.

26th June 1922.

To,

J. B. Taylor Esq., I.C.S,
Under Secretary to the Government of India,
BOMBAY.

Sir,

I am directed to acknowledge the receipt of your letter of the 19th instant No. 3121. My Committee note that the Government

* Acknowledgment of our letter No. T. 215.

have decided to refer to the expert committee the question of the measures which should be taken to encourage and develop an Indian Mercantile Marine. Such a reference strengthens the contentions of my Committee urged in their letter of 22nd March 1922 No. T-215 that "the contract with the Peninsular and Oriental Steam Navigation Company should not be renewed for more than 5 years and that in any case there should be a provision in the contract that without assigning any reason the Government of India should be at liberty to terminate it by giving six to nine months notice." The expert committee to whom the question of measures regarding encouragement and development of an Indian Mercantile Marine is to be referred may be expected to make suggestions affecting the Mail contract. It is because of this in conjunction with the reasons given in their former letter that my Committee urge that the Government should not enter into long contract with the Peninsular and Oriental Steam Navigation Company.

In connection with the proposed change in the time of arrival and departure of the English Mail, my Committee are given to understand that the arrival of Mail steamer on Saturday and the departure of the same Mail on Friday will result in hardship and inconvenience to importers who will have, it is urged, to pay interest on their drafts for seven days more as they cannot pay for and return the drafts by the outgoing mail of the week.

It is hoped that this will be taken into consideration, when the time of arrival and departure is finally fixed.

I beg etc,

J. K. MEHTA.

Secretary.

Telegram from the Chamber to the Secretary to the Government of India, Department of Commerce.
Simla on 7th October 1922.

"With reference their letter No. T. 215 dated 22nd March 1922 and subsequent correspondence Committee Indian Merchants' Cham-

ber suggest that no commitments should be made with Peninsular and Oriental Steam Navigation Company in respect of renewal of Mail Contract without the approval of Indian Legislative Assembly, Committee consider that for reasons stated in correspondence on this subject this course imperative. Kindly reply. MEHTA. Secretary.

No. 2072-P. W.

GOVERNMENT OF INDIA, PUBLIC WORKS DEPARTMENT.

To

The Secretary, Indian Merchant's Chamber and Bureau,

BOMBAY.

Delhi, the 30th October 1922.

Sir,

I am directed to acknowledge the receipt of your telegram dated 7th October 1922, addressed to the Government of India in the Commerce Department, In reply, I am directed to state that the mail contract with the Peninsular and Oriental Steam Navigation Company has been extended by the British General Post Office up to January 31st, 1925. Forms of tender for the new contract have not yet been issued. The General Post Office have undertaken to give the Indian Government an opportunity of expressing their opinion on the tenders when received; but the contract will probably cover the conveyance of mails to several other countries besides India, and will be granted by the British General Post Office on behalf of the various postal administrations concerned. The Government of India will, as usual, in due course avail themselves of the advice and assistance of individual members of the Legislature in forming their opinion with regard to the course to be taken in granting the new contract.

I have etc.

R. EWBANK.

Deputy Secretary to the Government of India,

APPENDIX 19.

Resignation of the Right Honourable Mr. E. S. Montagu, Secretary of State for India.

20th March, 1922.

Telegram to Right Honourable Edward Samuel Mantagu, House of Commons, London

Committee Indian Merchants Chamber have learnt your resignation with sincere regret. Circumstances forcing your resignation from India Office raise grave issues which my Committee trust will be fully considered by Indian Legislatures. Committee wish express to you their gratitude for your efforts put India on way selfgovernment and hope you will continue work for India's progress thereto with same zeal as heretofore.

PURSHOTAMDAS THAKURDAS,
Chairman.

London 29th April 1922.

To,

Chairman Indian Merchants' Chamber Bombay.

Many thanks for your telegram.

MONTAGU.

APPENDIX 20.

Registration of Trade Unions

1267-POLL.

Home Department (Political), Secretariat Fort, Bombay,
1st October 1921.

To

The Chairman, The Indian Merchants' Chamber and Bureau,
BOMBAY.

Sir,

I am directed by the Governor in Council to forward herewith a copy of a letter No. L. 925, dated the 12th September 1921, from

the Government of India, Department of Industries, regarding legislation for the registration and protection of Trade Unions in India. His Excellency would be glad to have the opinion of your Chamber on the subject, which I am to request you will be so good as to forward to me, through the Director, Labour Office, Secretariat, Bombay, by the 20th October 1921 at the latest.

I have etc.
J. CRERAR.
Secretary to the Government of Bombay,
Home Department (Political).

No. L.-925.

GOVERNMENT OF INDIA, DEPARTMENT OF INDUSTRIES.

LABOUR.

From

A. C. CHATTERJEE, ESQ., C.I.E., I.C.S.,

Secretary to the Government of India,

To

ALL LOCAL GOVERNMENTS AND ADMINISTRATIONS.

Simla, the 12th June 1921.

Subject.—Registration and Protection of Trade Unions.

Sir,

I am directed to address you regarding legislation on the subject of Trade Unions. On the 1st March 1921 Mr. N. M. Joshi, M.L.A., moved in the Legislative Assembly the following Resolution :—

> 'This Assembly recommends to the Governor General in Council that he should take steps to introduce, at an early date, in the Indian Legislature, such legislation as may be necessary for the registration of trade unions and for the protection of trade unionists and trade union officials from civil and criminal liability for *bona fide* trade union activities.'

After an instructive debate the Resolution was amended so as to read as follows :—

> 'This Assembly recommends to the Governor General in Council that he should take steps to introduce, as soon as practicable, in the Indian Legislature, such legislation as may be necessary for the registration of trade unions and for the protection of trade unions.'

In this form it was accepted by the Hon'ble Sir Thomas Holland on behalf of the Government of India and it was adopted by the Assembly without a division. A copy of the report of the proceedings in the Legislative Assembly on the Resolution is appended to this letter (Appendix I).*

2. The number of so-called trade unions in India is now considerable, and is increasing. A few of them have written constitutions and keep regular accounts, and, except that they do not, as a rule, pay the sick and unemployment benefits paid by all the big English unions, they approximate in form and methods to the British models. But the great majority are loose organisations. They have frequently no definite constitutions; they publish no accounts; their officers have no assigned functions; even the objects of the union are unstated in some cases. Many are little more than strike committees, formed to promote or carry on a strike, and ceasing to function after the strike has ended. Such organisations bear little resemblance to trade unions in the usually accepted meaning of the term. But, in so far as the movement makes for the organisation of labour, and for the steady betterment of the conditions of labour by efforts from within, it is clear that every facility should be offered for its development along healthy lines. The Government of India believe that if the unions that are now being formed are enabled and encouraged to define their objects, their methods and their organisation, a step will be taken in the right direction.

3. The desirability, in the interests of the workmen who join a trade union, of the registration of that union can scarcely be disputed. Persons entrusted with considerable sums of money by illiterate persons, and never called to account for these sums, are liable to much

* Not printed here.

temptation, and there are dangers that they may prove unequal to it. This is only one of several obvious dangers in the growth of a large number of important and possibly powerful organisations, which stand outside the civil law of the country. By registration, trade unionists would obtain for their unions the right to use and the right to control their officers and their funds, and, further, they would have a recognised status and position in the eyes of industrialists and the public. That full recognition by employers would follow in every case is unlikely, and in the opinion of the Government of India it is neither desirable nor possible to compel employers to recognise all unions. But much of the present reluctance of employers to treat with the existing organisations is due to the fact that these organisations have none of the responsibility attaching to properly registered bodies, and frequently represent little more than the aims of third parties, whose motives are not always disinterested. If a trade union could show that it was a genuine combination of workers, formed not with the express object of creating discord, but with the object of advancing the prosperity of those workers by all legal means, much of this reluctance would disappear. And without some form of registration, it is difficult for a trade union to assert its genuineness, and to substantiate the claims it makes to represent any section of the workers in a factory or an industry.

4. One of the questions that was raised during the debate in the Legislative Assembly was whether trade unions could be registered under existing Indian law. The Government of India are advised that it would be extending the scope of the Indian Companies Act (VII of 1913) beyond its well recognised limits to bring trade unions under it. Even if they could be registered under this Act, it would not be possible to provide proper safeguards for all their legitimate activities for which special legislation has been considered necessary in the United Kingdom and other countries.

5. After preliminary consideration, the Government of India have arrived at the following tentative conclusions regarding the lines on which legislation should be undertaken for the registration and protection of trade unions. I am to invite the opinion of the local Government Administration. on these proposals.

6. *The definition of a Trade Union.*—The definition of a Trade Union in the English statute of 1871 was amended by the statute of 1876 and now stands as below :—

> "The term 'trade union' means any combination, whether temporary or permanent, for regulating the relations between workmen and masters, or between workmen and workmen, or between masters and masters, or for imposing restrictive conditions on the conduct of any trade or business, whether such combination would or would not, if the principal Act (*i.e.*, the Act of 1871) had not been passed, have been deemed to have been an unlawful combination by reason of some one or more of its purposes being in restraint of trade.
>
> "Provided that this Act shall not affect :—
>
> (1) any agreement between partners as to their own business;
>
> (2) any agreement between an employer and those employed by him as to such employment;
>
> (3) any agreement in consideration of the sale of the good-will of a business or of instruction in any profession, trade or handicraft."

It is probable that the original definition of a trade union given in the Act of 1871 was widened in 1876 in order that benevolent purposes might be included amongst the objects of a trade union. The English statute of 1913 gives a further definition of a trade union in the following terms :—

> "2 (1) The expression 'trade union' for the purpose of the Trade Union Acts, 1871 to 1906, and this Act, means any combination, whether temporary or permanent, the principal objects of which are under its constitution statutory objects :—Provided that any combination which is for the time being registered as a trade union shall be deemed to be a trade union as defined by this Act so long as it continues to be so registered."

The Government of India are of the opinion that in Indian legislation there should be a definition corresponding to the definition given in the English statute of 1876, and that it should be also clearly stated that benevolent and similar purposes are included within the scope of trade union activities. The provision that will be made in the contemplated legislation with regard to the registration of unions will help to make the definition more precise.

7. It has been suggested that in the contemplated legislation it will be desirable, besides giving a general definition of the term "trade union," to provide a specific list of the aims and objects of trade unions; such as :—

(*a*) the regulation of wages, allowances or remuneration of workers employed or usually employed or to be employed in any industry ;

(*b*) the regulation of hours of employment, sex, age, qualification or status of workers, and the mode, terms and conditions of employment ;

(*c*) matters relating to any established custom or usage of any trade or industry affecting the union concerned ;

(*d*) the provision of benefits to members and the right to utilize the funds of the unions for political purposes on conditions equivalent to those prescribed in the English Act of 1913.

The objection to a specific enumeration of the legitimate aims and objects of trade unions in the definition will become inelastic and will not leave sufficient freedom to Court to interpret the law in accordance with the development of the movement. The Government of India will be glad to receive the opinion of local Governments Administrations on this particular point.

8. It has been mentioned above that political objects should be recognized amongst the activities of trade unions. In England this aspect of the question is dealt with in the statute of 1913. Section 3 of this Act provides :—

(1) that trade union funds cannot be used for political purposes unless the union, by a ballot, as prescribed in the Act, approves by a majority of the members voting;

(2) that where such political purposes are approved, payments towards them must be made out of a separate fund;

(3) that any member may object to pay for such purposes, and claim exemption on a prescribed form, and that such member shall not be excluded from union benefits, or any other way adversely affected because of his action, and that contribution to a political fund shall not be made a condition for admission to the union;

(4) that aggrieved members have provision for redress;

The Section authorises the expenditure of money on the following political objects:—

(*a*) the payment of any expenses incurred either directly or indirectly by a candidate or prospective candidate for election to Parliament or to any public office before, during or after the election in connection with his candidature or election; or

(*b*) the holding of any meeting or the distribution of any literature or documents in support of any such candidate or prospective candidate; or

(*c*) the maintenance of any person who is a member of parliament or who holds a public office; or

(*d*) the registration of electors or the selection of a candidate for parliament or any public office; or

(*e*) the holding of political meetings and the distribution of political literature or political documents of any kind, in cases where the main purpose of the meetings or of the distribution of the literature or documents is the furtherance of statutory objects within the meaning of this Act.

This section has been borrowed in Australia, *e. g.*, in section 52 A of the New South Wales Act of 191 , as amended in1918. The New South Wales Act empowers unions to support a political newspaper.

It seems to the Government of India that the principle of this provision may be accepted in India so as to cover elections to the Central and Provincial Legislatures, and to municipal and other local bodies which have the power to raise money. They are also ready to adopt the other provisions of the Act, namely, (*a*) that the political fund be kept separate from other funds; (*b*) that members of unions who object to contribute towards political objects be exempted on signing an exemption form which may be given as a schedule to the Act, and (*c*) that the members be placed under no disability for non-contribution, and that contribution should not be a condition of admission.

9. *Protection of Trade Unions.*—The main provision in England on this point is embodied in section 2 of the statute of 1871, which says that "the purposes of any trade union shall not, by reason merely that they are in restraint of trade be deemed to be unlawful, so as to render any member of such trade union liable to criminal prosecution for conspiracy or otherwise." The Indian law in regard to restraint of trade is contained in section 27 of the Indian Contract Act, and is not exactly the same as the English law. Section 27 of the Indian Contract Act uses very wide language and lays down that "every agreement by which any one is restrained from exercising a lawful profession, trade or business of any kind, is to that extent void." The Government of India are inclined to the opinion that in the proposed Bill it should be declared that section 27 of the Indian Contract Act will not apply to registered trade unions. They are at the same time disposed to adopt in their entirety the principles embodied in sections 2, 3 and 4 of the statute of 1871 which are for the sake of convenience reproduced in Appendix II to this letter. It is true that these sections of the English statute have given rise to some difficulties in interpretation, and it therefore seems to the Government of India that in the proposed Indian legislation it may be advisable to specify the nature of the agreements that have been accepted in English case law as falling within the principles embodied in the statute.

10. The law in England definitely excludes any interference by the Courts with the internal management of unions; on the other hand the Australian legislation brings the domestic affairs of trade unions under the law. The Government of India are of the opinion that in this respect we should follow the English precedent.

11. In this connexion a brief reference may be made to the question of the recognition of strikes. If the principle of section 2 of the English Act of 1871 is adopted, strikes will become legal. The Government of India do not wish at present to include in the Act relating to trade unions any other provisions regulating strikes. The question is being considered separately in different provinces in connection with the procedure for conciliation and arbitration. The Government of India have collected a considerable volume of information at an early date. They would await the result of the measures that have been adopted or are in contemplation in different provinces on this subject before deciding whether any specific legislation is needed with regard to strikes and the procedure of conciliation and arbitration.

12. *Trade Union Funds.*—The English law on the subject may be summarized thus:—

(1) Trade Union funds are subject generally to the ordinary laws regulating trust funds.

(2) The Trade Union Acts make special provision for trade union funds in certain cases:—

(*a*) A registered trade union and each branch of a trade union may acquire and hold land to a certain extent and, if necessary, may sell, exchange, mortgage, etc., (section 7 of 1876 Act).

(*b*) The real and personal property of a registered trade union is vested in the trustees of the union and the property of a branch may be vested in the branch trustees or if the union rules so provide, in the union trustees, in the case of a change of trustees, property consisting of stocks and securities must be transferred to the new trustees but no new assignment or conveyance is necessary for other property; (section 8 of the Act of 1871, as amended by the Act of 1876).

(c) Certain provisions are inserted for cases of the bankruptcy, lunacy, death or removal from office of trustees (section 4, Trade Union Act, 1876).

(3) It has been ruled that the trustees of a trade union need not be members of the union.

(4) Actions and other proceedings regarding trade union property may be brought or defended either by the trustees or by any other officer of the union as authorised by the rules (section 9, 1876 Act). Their liability is limited, in case of the contemplation or furtherance of a trade dispute, by section 4 (2) of the Trade Disputes Act.

(5) The liability of trustees is limited (section 10, 1871 Act).

(6) Union officials must render duly audited accounts, etc., to the union (section 11, 1871 Act).

(7) Unions are protected against fraud by their own members, officials or others (section 12, 1876 Act).

(8) It seems that, in the case of a dispute between a trade union and its branch in regard to branch property, an action may be brought under section 9 against the branch trustees for recovery of the property, and by the rules of the union it may be possible for a trade union to prevent a misapplication of branch funds by a branch.

(9) Under the present law it also seems possible for a member of a trade union to restrain misapplication of funds where the trustees will not do so.

(10) The rules of every trade union must provide for the dissolution of the union and impliedly for the disposal of union funds (section 14 of the 1876 Act).

13. The Government of India think that, with due reference to the Indian law relating to trusts and trustees, the principles

enunciated above may be accepted and incorporated in the proposed law relating to trade unions.

14. In England, under the statutory rules, trade unions must make provision for the appointment of a trustee or trustees. If there were no trustees, the property of the union would have to be vested in the name of an official on behalf of the union or of the union itself. The Government of India would like to have the opinion of local $\frac{\text{Governments}}{\text{Administrations}}$ as to whether it is necessary that a similar provision should be made in the Indian law.

15. *Registration.*—It is hardly necessary to observe that if the principal conditions under which unions may be registered are sufficiently explicit the need for elaboration in the definition of the term 'trade union' will be obviated. The registration *ipso facto* will bring a union within the legal definition. The Government of India are of the opinion that registration in all cases should be optional, and that unregistered trade unions should not be deemed to be illegal. Registration, however, will give a legal entity to a union with definite rights and privileges which unregistered unions will not possess. For example an unregistered union might find it difficult to obtain recognition by employers.

16. The Government of India think that the following provisions regarding registration may be included in the contemplated Bill:—

(1) the fixation of a minimum number of members who may apply for registration ;

(2) provision for the appointment of Registrars in the different provinces by the local Government:

(3) power to make rules regarding such subjects as—

(*a*) the furnishing to the Registrar at the time of application for registration of copies of the rules of the union with a list of the designations and the names of the officers of the union ;

(*b*) where a trade union has been in operation for more than a year before the date of the application, for the furnishing of statements of receipts, funds, etc., of the union in a prescribed form;

(*c*) the name of the union not to be identical with that of any other union;

(*d*) issue of certificates of registry.

I am, however, to invite the opinion of the local Government/Administration as to whether these provisions should be made by rule under the statute or should be included in the statute itself with specific provisions in a schedule regarding the details that should be furnished in connection with an application for registration such as:—

(*i*) the name of the trade union and place of meeting for the business of the trade union;

(*ii*) the objects and purposes of the union, the conditions under which the members of the union may benefit from the funds of the union and the fines and forfeitures on members of the union;

(*iii*) the manner of amending or rescinding the rules;

(*iv*) a provision for the appointment and removal of a general committee of management, of a trustee or trustees, treasurer and other officers;

(*v*) a provision for the investment of the funds and for an annual audit of accounts;

(*vi*) a provision for the inspection of the books and names of members by every person having an interest in the funds of the union.

17. In this connexion, I am to observe that in the opinion of the Government of India it is desirable that any rules made under the Act should be made by the Central Government. It is probable that many unions will carry on business in more

than one province, and in any case it is desirable that the law and practice on this matter should be uniform throughout India at least in the earlier stages of the movement.

18. Some other provisions relating to registration which may be usefully incorporated in the Act are stated below :—

(*a*) the rules of every trade union should contain provisions in respect of the several matters mentioned in the previous paragraphs;

(*b*) a copy of the rules should be available to every member of a trade union on payment of a specified sum;

(*c*) every union should have a registered office;

(*d*) unions carrying on and intending to carry on business in more than one province should be registered in the province in which the registered office is situated;

(*e*) a general statement of the receipts, funds and expenditure of every registered union should be transmitted to the Registrar by a specified date. With this general statement should be sent to the Registrar a copy of any alterations of rules and new rules and particulars regarding changes of officers. It may also be advisable to ask for a periodical return of the names of members;

(*f*) there should be penal provisions for default in any of the matters specified above;

(*g*) rules regarding the change of name of a trade union;

(*h*) rules regarding the amalgamation of trade unions;

(*i*) rules regarding the withdrawal of the certificate of registration on application to the Registrar.

19. Under section 9 of the English Statute of 1876, minors are permitted to become members of a trade union. The Government of India are of the opinion that all persons of or above the age of 15 should be eligible to become members of trade unions.

20. *Liabilities of Trade Unions.*—The English law on the subject is contained in section 3 of the Conspiracy and Protection and Property Act of 1875 as modified by section 1 of the Trade Disputes Act of 1906. As thus amended the law reads:—

"An agreement or combination by two or more persons to do or procure to be done any act in contemplation or furtherance of a trade dispute shall not be indictable as a conspiracy if such act committed by one person would not be punishable as a crime.

"An act done in pursuance of an agreement or combination by two or more persons shall, if done in contemplation or furtherance of a trade dispute, not be actionable unless the act, if done without any such agreement or combination, would be actionable.

"Nothing in this section shall exempt from punishment any persons guilty of a conspiracy for which a punishment is awarded by any Act of Parliament.

"Nothing in this section shall affect the law relating to riot, unlawful assembly, breach of the peace, or sedition, or any offence against the State or the Sovereign.

"A 'crime' for the purposes of this section means an offence punishable on indictment, or an offence which is punishable on summary conviction, and for the commission of which the offender is liable under the statute making the offence punishable to be imprisoned either absolutely or at the discretion of the Court as an alternative for some other punishment.

"Where a person is convicted of any such agreement or combination as aforesaid to do or procure to be done an act which is punishable only on summary conviction, and is sentenced to imprisonment, the imprisonment shall not exceed three months, or such longer time, if any, as may have been prescribed by the statute for the punishment of the said act when committed by one person."

This provision of the English law may be studied along with sections 2 and 3 of the Act of 1871 which free unions from criminal and civil liability in regard to restraint of trade.

21. Section 3 of the Trade Disputes Act runs thus :—

> "An act done by a person in contemplation or furtherance of a trade dispute shall not be actionable on the ground only that it induces some other person to break a contract of employment or that it is an interference with the trade, business, or employment of some other person, or with the right of some other person, to dispose of his capital or his labour as he wills."

22. The Government of India are of the opinion that the expressions "contemplation or furtherance" should be defined more precisely, and subject to this and possibly to the further limitation suggested in the last sentence of paragraph 27 below they think that there would be no objection to incorporating in the Indian law the principle embodied in the English law as set forth in paragraphs 20 and 21 above.

23. Immunity from liability for the wrongful acts of their servants was conferred on trade unions in England by section 4 of the Trade Disputes Act of 1906, which runs thus :—

> "4 (1) An action against a trade union, whether of workmen or masters, or against any members or officials thereof on behalf of themselves and all other members of the trade union in respect of any tortious act alleged to have been committed by or on behalf of the trade union, shall not be entertained by any court.
>
> (2) "Nothing in this section shall affect the liability of the trustees of a trade union to be sued in the events provided for by the Trade Union Act, 1871, section nine, except in respect of any tortious act committed by or on behalf of the union in contemplation or in furtherance of a trade dispute."

24. The Government of India are of the opinion that under present conditions the principle of this provision cannot suitably be

incorporated in the proposed Indian Law. Such trade unions as exist in India differ in important respects from the trade unions in England. While trade unions in England had behind them in 1906 a continuous existence of over a century, during the greater part of which they had been subject to some form of legislation, the Indian organizations are of extremely recent date and in view of the acts of violence and intimidation which have unfortunately characterised a large proportion of the disputes in which they have been concerned, it would be unwise in the earlier stages of their existence to exempt them unreservedly from civil liability for tortious acts. Moreover, as a reference to the debate in the Legislative Assembly will show, the value of the Trade Disputes Act in this respect has been seriously questioned by competent critics in England.

25. The main argument that has been advanced for the immunity conferred by section 4 of the Trade Disputes Act is that a trade union cannot justly be held responsible for the actions of its subordinates. It is alleged that in times of excitement, irresponsible officials are liable to go too far, and it would be unfair to saddle the union with financial responsibility for their acts. Against this it may be urged that no other body with a legal entity is free from liability of the acts of its agents, and there is really no reason why trade unions should be free. Another argument that has been advanced in favour of legislation similar to that of section 4 of the Trade Disputes Act is that trade unions are partly benevolent in purpose, and their funds should not therefore be made liable for unlawful acts committed by subordinates. This argument may be met by a provision that a separate trust may be created for the benevolent funds of a union, or by a definite provision that the benevolent funds of a union should be exempt from liability.

26. The Government of India as at present advised are in favour of embodying in the Indian law the proposals that had been originally submitted to Parliament by His Majesty's Government in 1906. The original proposals in the Trade Disputes Bill were to define the law of agency in such a way that no act could be made the ground of a claim on trade union funds, unless it was definitely proved that the governing body, as constituted by law, had sanctioned

the act. It was proposed that each union should appoint an executive committee, in which was to be vested the duty of conducting all operations likely to bring the union into conflict with employers and the public. Unions or their property were not to be bound by any act unless it were the act of the executive committee, or of some person whom the executive committee authorized to act in a certain way. The Executive committee could by instructions prescribe the limits within which their agents might exercise their discretion and no action would lie against the funds of the union in the event of an agent exceeding those limits. It was also proposed that the executive authority could repudiate or disapprove of any questionable act which might be brought to its notice. Where such repudiation took place with effective promptitude, trade union funds were to be exempt from liability. A similar provision was prescribed in the New South Wales Act, 1903, which declared that "no trade union or industrial union or association of employers shall be liable to any suit or action, nor shall the funds of such union or association be in any way chargeable in respect of any act or word, done, spoken, or written, through or in connection with an industrial dispute by any agent, if it be proved that such agent acted :—

(1) contrary to instructions *bona fide* given by or (2) without the knowledge of the governing body of such union or association has *bona fide* and by all reasonable means repudiated the acts or words complained of at the earliest opportunity and with reasonable publicity." The Government of India as at present advised are disposed to formulate safeguards on these lines.

Picketing.—The English law on this subject is embodied in section 7 of the Conspiracy and Protection of Property Act of 1875, read with section 2 of the Trade Disputes Act of 1906. These two provisions are given in Appendix II of this letter. In this connection in India the law embodied in Chapter V of the Indian Penal Code has to be considered. The Government of India feel that it would be most undesirable in the present stage of the labour movement in India to countenance picketing in any form. It will not be

disputed that, although in the statute of 1906, such acts as watching and besetting, the use of violence, intimidation, injury to property, following, the hiding of property or depriving the owner of its use, following in a disorderly manner in a street or road are still unlawful in England, it would be practically impossible in India either to obtain evidence for the conviction of any person for such offences, or to impose penalties for such acts on large crowds of people who might commit them in times of excitement and disorder. The Italian law on the subject may be stated thus :--

> "Whoever, by means of violence or threats restrains or impedes in any way the liberty of industry or of commerce is punished by imprisonment for a period not exceeding 20 months, and by a fine of 100 to 3,000 lire.
>
> Whoever, by violence or threats, occasions or causes to continue a cessation or suspension of labour in order to impose either on the workmen or on the masters or employers a diminution or an increase of wages, or conditions differing from those previously agreed upon is punished by imprisonment for a period not exceeding 20 months.
>
> Ringleaders in the offences referred to in the preceding articles are liable to terms of imprisonment varying from three months to three years, and to a fine of from 500 to 5,000 lire."

But recent events have shown that it is practically impossible to enforce these provisions. Whilst picketing undertaken by private persons without the express authority of the Union will be subject to the law embodied in Chapter V of the Indian Penal Code, the Government of India, in the interests of the organizations themselves, are inclined to the opinion that a definite responsibility should be laid on the unions or their Executive Committees for the prevention of the issue of any orders authorising picketing in any form by the members of the union. It has been suggested that the immunity of union funds that would be conferred by the provision suggested in paragraph 22 above should be limited by provisions having the effect

just mentioned, but the Government of India do not wish to commit themselves to this proposal and would be glad to have the considered views of the local $\frac{\text{Government}}{\text{Administration}}$ on this question.

28. I am to request that as the subject of this letter is entirely novel in this country and as at the same time the proposals made are likely to have an important bearing on the social and industrial organization of the country, the local $\frac{\text{Government}}{\text{Administration}}$ will give wide publicity to its contents. The Government of India will be glad to have the considered opinion of local $\frac{\text{Government}}{\text{Administration}}$ on the points discussed in this letter by the end of November 1921.

I have etc.

A. C. CHATTERJEE,

Secretary to the Government of India.

T. 34.

11th January, 1922.

To,

The Secretary to the Government of Bombay,
Home Department (Political), Secretariat, Fort,
BOMBAY.

Sir,

With reference to your letter No. 1267 dated the 1st October 1921, I am directed by my Committee to say that they welcome the efforts of the Government in the matter of legislating on the registration and protection of Trade Unions and thereby helping labour towards its organisation and consolidation on a satisfactory footing. My Committee are thus in entire agreement with the spirit which has prompted the Government to undertake the legislation and they hope that when it is passed into Law it will relieve the tension which is at present noticeable between the employers and the employees and will promote a healthier feeling of concord between labour and capital towards the joint amelioration of both. With these prefatory remarks my Committee beg to lay before the Government their views on the various issues raised in the letter under reply.

My Committee agree with the Government in their opinion that besides giving a difinition of Trade Union the legislation should also provide a list specifically enumerating the aims and objects of trade unions.

With reference to the views expressed by the Government in para 8 of the letter my Committee are of opinion that political activities not being immediately connected with trade unionism the unions may well be spared from for the present at least when the political differences are so acute in the country.

As regards protection of trade unions and the trade union funds my Committee have no special views to offer and they are generally in agreement with the views expressed thereon by the Government.

With regard to registration of Trade Unions my Committee are of opinion that it should be made compulsory as by so doing the Government will automatically keep themselves in touch with the birth and growth of Trade Unions in India.

With regard to the trade union liabilities, my Committee agree with the views expressed in para 24 of the Government letter that the Indian organisations are of extremely recent date and in view of the acts of violence and intimidation which have unfortunately characterised a large proportion of the disputes in which they have been concerned it would be unwise at the early stages of their existence to exempt them unreservedly from civil liabilities for tortious acts.

With regard to picketing also, my Committee agree with the views of the Government of India that in the interests of the organisations themselves a definite responsibility should be laid on the Unions or their executive Committees for the prevention of the issue of an order authorising picketing in any form by the members of the Unions.

Delay in sending the reply is regretted.

I beg etc.

S. M. MUZUMDAR,
Ag. Secretary.

APPENDIX No. 21.

The Indian Cotton Duties.

Bombay, 3rd April 1922.

To

The Secretary,

The Indian Fiscal Commission,

CAMP.

Sir,

During the course of our examination on the 1st March, 1922, the President as also some of the other Members, observed that the expression by the Committee of our Chamber used in their Memorandum of Written Evidence to the effect that the tariff policy of this country dictated by vested interests in the United Kingdom, stood to the discredit of British Rule in India, was a very strong one to use. In answer to the President, Mr. Muzumdar, and in answer to Sir Montagu Webb Mr. Madan, answered the question to the extent that it could be answered under examination. But as the Committee consider and maintain that the expression was fully justified, we on behalf of the Committee venture to submit for the records of the Commission a fuller statement than we were then able to present justifying the expression that had been used, and adducing in support of it a brief resume of the unfortunate history of the Indian cotton duties.

2. Your Commission are doubtless aware that in 1850 a duty of 7½% was levied on partly manufactured, and of 10 % on wholly manufactured cotton goods, a general import duty being levied on all imports, at these rates, according as the articles were partly or wholly manufactured or were habitually consumed by the general mass of the community. In the following year, however, Mr. Samuel Laing, the Finance Minister in India, reduced the duty on cotton twist and yarn to 5% ostensibly on the ground that it was in accordance with the principles of free trade as were then accepted in England. But in doing so, he incidentally showed the real motive for the change when he said :—"The case is urgent, because parties are actually building mills, and importing machinery on the strength

of the high duty." And in 1862 the duty on piecegoods and yarn were restored to 5% and 3½%. This was the beginning of a policy under which the Government of India were made to identify themselves with the English cotton industry as against the Indian.

In 1874 the Manchester Chamber of Commerce approached the Secretary of State for India with a representation that the cotton duties should be abolished, on the ground that "under the protection extended by the levying of duties on imports of the spinning and weaving of cotton yarn and goods in India a large number of new mills are now being projected." As a consequence a Committee was appointed by the Government of India to inquire into the merits of the duties who, however, reported that there was no real competition between the English and the Indian industries. In spite of this finding, Lord Salisbury, then Secretary of State for India, declared that the duties should be removed, and laid down that their abolition should have priority over every other form of fiscal relief to the Indian taxpayer. We might add that three Members of the India Council voted against the despatch which urged the abolition of these duties. Thereupon, the Secretary of State even went so far as to change the constitutional procedure and laid down that in particular the financial measures of the Government of India should thereafter be first approved by him, before being submitted to the Legislature. Among other reasons for dissenting from the policy pursued by the Secretary of State the dissenting Members of the India Council urged two :—

"(1) Because we think that, whenever the possession of a surplus enables it to reduce duties at all, the Government should carefully consider whether it is not desirable to operate upon other duties; e. g. the salt duties, the sugar duties or the export duties in priority to the import duties; in our judgment each of these three items of revenue requires alteration far more urgently than do the duties on cotton goods.

(2) Because independently of pure financial question we think it impolitic to disregard the fact that the repeal of duties on cotton goods in India, in a preference to other injurious taxes, is viewed with

great suspicion and dislike by a large portion of the educated natives of this country, and is likely to cause much irritation among them."

3. As a result, in the financial statement of 1877 Sir John Strachey, then Finance Member, sounded the death knell not only of the cotton duties, but of all import duties in general, pointing out that cotton goods were "the sole article of foreign production which the people of India largely consume." He further remarked: "I am not ashamed to say that while I hope that I feel as strongly as any man the duties which I owe to India, there is no higher duty in my estimation than that which I owe to my own country. I believe that our countrymen at home have a real and very serious grievance and that it is no imaginary injury against which they complain." In this case, again, we might add, half of the Members of the Governor General's Council *viz:* Sir Arthur Hobhouse, Sir Henry Norman, and Sir E. C. Bayley, recorded a joint minute of dissent. They contended that the duties on salt and sugar and the export duties required alteration far more urgently than the cotton duties.

4. A number of resolutions had been passed from time to time by the House of Commons, all urging that the cotton duties in India should be removed, because they violated the principles of free trade adopted by Great Britain. And within two years the duties were finally removed, in spite of a deficit in the Indian Budget, in spite of the suspension of the Famine Fund, in spite of the fact that the measure involved a substantial loss of revenue, and in spite of the opposition of the majority of the Council of the Governor-General. Important Minutes of Dissent were recorded by the Hon'ble Mr. Stokes, the Hon'ble Mr. A. R. Thompson, the Hon'ble Sir Andrew Clarke and the Hon'ble Sir A. J. Arbuthnot. Nor was this all. When the matter came before the Council of the Secretary of State for India, they were evenly divided on the question; and it was only with the casting vote of the Secretary of State that approval was given to the removal of the duties. The Hon'ble Mr. Stokes put the case very clearly for the duties, and we would request the Commission to recall what he said on the occasion. He said:—

"I dissent from the proposal to exempt from import duty cotton goods containing no yarn of a higher number than thirties;—firstly,

because the financial condition of this country is so deplorably bad that we cannot afford to lose even twenty lakhs a year, which sum is said to be about the annual cost of the proposed exemption. We have spent our Famine Insurance Fund, or what was intended to be such. We are carrying on a costly war with Afghanistan. We may any day have to begin one with the king of Burma. Our estimates show a deficit. We have now to borrow five crores in India and we are begging for two millions sterling from England. Our income is almost stationary. Our opium revenue is precarious and our difficulties arising from the depreciation of silver seem, for some years at all events likely to increase rather than diminish. We have exhausted all gainful sources of indirect taxation and for every tax we surrender we must, therefore, impose a direct tax. Knowing, as I do, the horror (in my opinion the reasonable horror) of new direct taxation, which is felt by the natives of India, I cannot think it wise to do anything which must lead to its imposition. It is painfully clear that the time has not arrived for even a partial fulfilment of the undertaking that the import duty on cotton goods should be replaced as soon as the financial condition of India permitted.....Fifthly because the free admission of cotton goods would probably destroy a promising and useful local industry and, in the absence of competition, the Manchester manufacturers would practically compel the people of India to buy cotton cloths adulterated, if possible, more shamefully than such goods are at present. The cost of the clothing of the people would thus be increased rather than lessened, and the arguments founded on the injurious effect of an imaginary protection would lose the little force that they ever possessed.

"Sixthly, because nothing will ever induce the people of India to believe that the proposed exemption, if made, has been made, as no doubt we shall say it has, solely in their interest. They will be convinced by their newspapers, (which are read aloud in every bazar) that it has been made solely in the interest of Manchester and for the benefit of the Conservative Party, who are, it is alleged, anxious to obtain the Lancashire vote at the coming elections. Of course the people of India will be wrong; they always must be wrong when they

impute selfish motives to the ruling race. Nevertheless the evil political result likely to follow from this popular conviction should not be ignored, and should, if possible, be avoided.

"Lastly, I object to the way in which the proposed change in the law is to be effected. The Viceroy, as I understand, intends to overrule the majority of his Council and to make the proposed exemption by Executive order, in the Revenue Department, under Section 23 of the Sea Customs Act. Such an order is, no doubt, authorised by the terms of that section. But the Indian Legislature, in conferring on the Executive power to make exemptions, never intended that it should be exercised so as to make suddenly a vast change in our law, affecting not only the importers and consumers of the particular class of goods dealt with, but the tax-payers of India in general, a change that will not only seriously diminish our present revenue, but force the hand of the Legislative Council by compelling them to impose new direct taxation. The power to exempt goods from Customs duties was originally conferred by Act XVIII of 1870, and was merely intended to relieve the Executive from the useless and troublesome formality of coming from time to time to the Indian Legislature to make in the tariff petty alterations which that Legislature, if applied to, would have made at once. The change now proposed is of a very different character. I have reason to think that it would never be sanctioned by the Legislative Council unless, indeed, arguments were brought forward in its favour far more cogent than those that I have heard. The proposed exemption of cotton goods, if made by mere executive order will thus resemble what lawyers call a fraud on the power; and there is, unfortunately, no court of equity to relieve the people of India against it.

5. In 1894 when the exchange situation was such that more revenues were needed by the Government of India, a general import duty of 5% was again proposed. Once again the Secretary of State insisted that cotton goods should be excluded. This exemption in favour of Manchester roused a storm of indignation throughout India and in the Legislature. Even the Governor-General and his Council, be it said to their credit, were unanimously opposed to it. But they were powerless. The Finance Member of

the day refused to admit the validity of the Home Government's objections, and went so far as to say that, if any industry in the world deserved protection, it was the cotton industry of India. When the matter came up before the India Council, six Members, Advisers of the Secretary of State, recorded Minutes of Dissent. They were Sir A. J. Arbuthnot; Mr. A. Alison; Mr. D. M. Stewart; Mr. H. Rawlinson, Mr. C. A. Turner and Mr. A. C. Lyall. And in this connection again we should request the Commission to recall what Sir A. J. Arbuthnot minuted on the occasion. He said:—"I desire to record my dissent from the decision of the Secretary of State excluding duties which the Government of India have been authorised to impose in the present very grave financial crisis. The decision to which I refer was passed in opposition to a unanimous vote of the Council of India, and to the views of the Governor-General in Council. It is in my opinion open to very serious objection both upon financial and political grounds. It compels the Government of India, not only to suspend the Famine Insurance Fund, but to budget for a considerable deficit, the amount of which, for all we know, in the present condition of the silver question, may possibly assume much larger proportion; and it practically announces to the people of India, that, however great may be their needs, no measure for their relief will be sanctioned which may be likely to offend any powerful English interest. In 1894, as in 1879, the interests of India are to be sacrificed to what the people of India regard as Parliamentary considerations, and this is done at a time when India is in a condition of political unrest which demands exceptional watchfulness on the part of her rulers, and which certainly ought not to be stimulated by any action of theirs."

6. Thus the whole history of the imposition of the countervailing excise is, we submit again, one of the most unfortunate and sorry chapters in the administration of the affairs of this country, and the Commission are doubtless aware that it has caused in the Indian mind an acuteness of feeling, which to this day remains violated. We venture to submit once more that, had this country been free to determine its own fiscal policy, its tariff history would have been very different. Time and again, the Manchester Chamber of Commerce,

and at its bidding the Secretary of State for India, have dictated the tariff policy of this country to suit their own interests. That unfortunate chapter is still not closed. for the Indian mind has again been agitated over the steps that are at this very moment being taken by Manchester to urge, an enhancement of the excise duty to 10 %, or the equalisation of the import and excise duties at 6 %—steps which this country resents as acts of open hostility to its industrial safety and progress.

7. In submitting to you this brief resume of the history of the cotton duties in this country, the Committee trust they have made it clear from facts on official records that the action taken by His Majesty's Government in this particular matter has done no credit to British Rule in India, and that therefore, the expression that was used in the Chamber's Memorandum of Written Evidence is none too strong, but only too well and painfully justified.

We have etc.

(Sd.) J. K. MEHTA, *Secretary.* (Sd.) PURSHOTAMDAS THAKURDAS, *(Chairman)*

(Sd.) N. M. MUZUMDAR,

(Sd) B. F. MADAN.

P. S:—The quotations in this representation are taken from the records of the India Office as reproduced in a brochure on "Our Fiscal Policy" by Mr. C. N. Vakil M. A; M. Sc. (Econ), London F. S. S, a copy of which was handed over to you by us personally at the time of giving oral evidence.

APPENDIX 22.

Interview with the Hon. Sir W. M. Hailey, Member-in-charge, Finance Department, Government of India.

A meeting of the Committee of the Indian Merchants' Chamber and Bureau was held on Wednesday, the 5th April 1922 at 12 noon to meet the Honourable Sir Malcolm Hailey, Finance Member of the Government of India. There were also present with Sir Malcolm Hailey the Hon'ble Mr. Cook, Mr. McWatters, Mr. H. Denning, and Mr. Parsons.

Mr. Purshotamdas Thakurdas, Chairman of the Chamber, welcomed Sir M. Hailey on his first visit to the Committee during the new official year of the Chamber. He observed that the Committee of the Chamber had always been critics of the financial policy of the Government and he feared that during the current year they would have to criticise to a still larger extent this financial policy. The Committee could not look with equanimity at the situation as it was at present. Unless retrenchment was adopted by the Government in their administration, the country would be proceeding towards insolvency. The Committee did not perhaps criticise the financial statement of the Government last year very strongly as they did not want to place the new legislature from the outset in a difficult position. This year, however, they thought it necessary to criticise the recent financial statement very strongly as they felt it their duty to sound a toosin of alarm. They hope that the Government would do something practical to effect retrenchment and to make both ends meet.

The Chairman then invited discussion from members and Mr. Madan referred to the inadvisability of resorting to a concellation of notes. He criticised the use of the excess over £ 40 million for the reduction of created securities. It would be a serious step, he observed, to cancel notes looking to the present financial conditions of the country. Instead of trying to cancel notes, this excess in the Gold Standard Reserve and the earnings of the securities in the Paper Currency Reserve should be used in substituting a more substantial backing for the present "created" securities thus improving the backing and leaving the circulation untouched as a very big edifice of commercial credit had been built up on the basis of such circulation. Mr. Madan added that this could be done by buying with the moneys so derived either gold or silver but it had been put to him and he quite appreciated the objection that this would mean a further weakening of our already weak exchange position. He would therefore recommend the purchase of Government securities that had been once issued against actual money paid by the public from the open market and thus substitute real purchased securities for the "created securities." Even this question did not immediately

arise if these profits were all utilised towards reducing the immense deficits of the present budget as had been suggested in the note sent with the representation of the Chamber. Mr. Petit asked how it was proposed to meet the deficit of nine crores in the budget as also the reasons why the increase in the import duty on cotton piecegoods from 11 to 15 per cent was ultimately dropped. He also asked whether this dropping of the proposal for an increase in the import duty was in any way an index to the weak attitude of the Government with regard to fiscal autonomy. He observed that there was a suspicion in the public and a rumour whether well founded or otherwise, to the effect that the non-official members of the Legislature were influenced by the Government Members under some pressure to vote as they did for a reduction in the proposed duties. Mr. Petit also referred to the recent sanction asked for by the Secretary of State for a loan of £ 50 millions. Mr. N. M. Muzumdar feared that a convention which had been established during the time of Mr. Montagu with regard to fiscal autonomy had been practically nipped in the bud by Lord Winterton and asked what was the position of the Government of India with regard to it. He also inquired when the Coinage Act of September 1920 was likely to be repealed and the standard be brought back again to 1s. 4d. Mr. Walchand inquired what would have been the Railway revenues if military materials had been carried at ordinary rates.

The Hon'ble Sir Malcolm Hailey replying to the different questions observed:—

With regard to Railway charges for military materials he thought that they were charged at 2/3 of the ordinary rates. Exact information, however, would be called for and sent to the Chamber.

With regard to the repeal of Coinage Act of 1920 he would rather wait till we arrived at a more normal period. He was personally of opinion that the Government would not have any fresh legislation without a further enquiry.

With regard to the sanction for the loan of £ 50 million asked by the Secretary of State from the House of Commons it was necessitated by the fact that his statutory borrowing capacity was nearly

exhausted. Mr. Madan inquired at this stage if the other Dominions required such a sanction. The Hon'ble the Finance Member replied that the other Dominions arranged for their loans through their High Commissioners. But that with regard to India the Statute of 1858 forbade the Secretary of State to pledge the revenues of India without the consent of Parliament. The Hon'ble Mr. Sethna said that the chief disadvantage with this Statute requiring the Secretary of State for India to get the sanction of the House of Commons for any loans to be raised on behalf of India in the United Kingdom was that it gave an impression to the British people that the Secretary of State was guardian of the interests of British manufacturers who tried to interfere in the domestic fiscal questions of India. The Hon'ble Sir M. Hailey did not at all anticipate that there would be any declaration made *re*: purchases of Stores in the United Kingdom from this loan, as was done in April last year. On the contrary, the policy of the Government of India was to buy in the cheapest market and the High Commissioner was instructed similarly with regard to his purchases of stores. In fact, the Government of India were acting just like a businessman to buy in the cheapest market, taking care at the same time to keep up the continuity of their supplies. Mr. Mavji Govindji Sheth asked if the Government of India had the right of borrowing in the cheapest market as they had the right to buy in the cheapest market. The Hon'ble the Finance Member replied they were free to do that. Under the Government of India Act they were not bound to ask the sanction of the Secretary of State for their borrowing in India but as a matter of procedure they did so.

With regard to fiscal autonomy, he emphasised that the reply of Lord Winterton, the Undor Secretary of State to an interpellation in the House of Commons did not vitiate the solemn convention freely admitted between the United Kingdom and India. He emphasised also that the Fiscal Commission was not in any way intended as a joke as one member supposed, for such a Commission was necessary in the interests of the country no matter whether there were full fiscal autonomy.

With regard to Mr. Madan's suggestion to utilise the interest

from the Gold Standard Reserve Funds either for revenue purposes or for buying securities to be substituted for "created" securities he asked if such a proposal had the support of the financial public of Bombay. Mr. Madan replied that as far as he knew the financial public had no objection. Mr. Petit here interposed with saying that some people had. The Hon'ble the Finance Member feared if the last year's interest from the Gold Standard Reserve was utilised in the way suggested by Mr. Madan, there would be a natural temptation to utilise the previous year's interest amount also and in this wise the reserve might disappear. He complimented Mr. Madan on the very able note which was sent with the representation of the Chamber on the Budget and recognised that it was very difficult at present to carry on a process of deflation.

With regard to questions of Mr. Petit about the reasons for reducing the proposed import duty on cotton piecegoods and the suspicion referred to by him, the Hon'ble Sir M. Hailey observed that such a proposal emanated from a non-official member and was supported by a large majority of non-official members, many of them connected with Bombay commercial life. He emphasised that it was these non official members and not the Government Members who were responsible for the dropping of the enhanced duties on piecegoods. If Mr. Petit wanted any explanation he could very well get it from these non-official gentlemen.

The meeting dispersed after the Chairman had thanked the Hon'ble Sir Malcolm Hailey for paying a visit to the Committee. The latter replied that it was always a pleasure to him to see the members of the Committee of the Indian Merchants' Chamber.

APPENDIX 23.

Interview with the Hon'ble Mr. C. A. Innes, Member-in-Charge Department of Commerce, Government of India.

A meeting of the Committee of the Indian Merchants' Chamber and Bureau was held on Friday the 7th April 1922 at 12 noon to

meet the Honourable Mr C. A. Innes, Member in Charge of the Department of Commerce. Mr. H. F. Knight, I.C.S., Director, Commercial Intelligence, Bombay, was also present.

Mr. Purshotamdas Thakurdas, President of the Chamber, referred in the beginning to the telegram, sent by the Committee regarding the permanent appointment of the Hon'ble Mr. Innes as Member in charge of the Department of Commerce and explained that the Committee in sending their telegram were actuated only by a matter of principle which was that an Indian should be in charge of such an important Department as the Department of Commerce and had nothing personally to say against the Hon'ble Member himself. He observed that there were specially two matters which his Committee wanted to discuss with him at the meeting viz., (a) Railway Committee Report and (b) Purchase of Stores and machinery as far as the new loan to be floated in London this year was concerned. His Committee were extremely anxious that strict economy should be exercised in these purchases which unfortunately was not the case last year at least. The Government of India were either helpless or there was some difficulty of which the Committee were not aware. A satisfactory solution of the question of purchase of stores abroad in the cheapest market would not be arrived at till tenders were called for and given from India. The remarks of Earl Winterton, the Under Secretary of State for India, confirmed the apprehensions of the Committee according to some of them. Mr. Purshotamdas himself did not wish to put any construction upon these remarks at least for the present but he would say that the various recommendations made by the Indian Legislature and the Chamber should be put into practice at once. If these suggestions were left in Committee stage for some time longer it would be tantamount to shutting the door after the horse had bolted. He asked whether the Committee were wrong in inferring that the interests of India were not being looked after as they should be. The Hon'ble Mr. Innes said that the Committee evidently were not aware of the action taken by the Government of India on the resolutions moved by Sir Vithaldas Thakersey and the Hon'ble Mr. Lallubhai Samaldas in the September session of the Legislature; and he referred them to the correspondence

with the High Commissioner published in Volume II No. 40 of the Official Reports of the Assembly. He admitted that for a temporary period the High Commissioner had given preference to a limited extent to British manufacturers but the Government now had asked that any action of the kind should be stopped, and that the Stores Department in London should revert to the ordinary business principle of accepting the lowest satisfactory tender. The High Commissioner had also been asked to put a stop to the method of disclosing foreign tenders to the British manufacturers. At the present time British Manufacturers quoted rates which were lower than those quoted by Germany and Belgium. Regarding the last statement of the Hon'ble Member, some members of the Committee observed that their experience did not bear it out.

The President asked why should not the High Commissioner be asked only to collect tenders in London and send them on here as is being done by the different self-governing colonies. With regard to all those colonies he understood tenders have to be submitted to their head-quarters and it would be but fitting that the same procedure should be adopted by the Government of India. The Hon'ble Mr. Innes replying to this said that there was an expert staff in England and not in India. The Government were going to have an expert organisation in India also but it would take some time longer to build it up. The aim in view certainly should be to transfer the centre of gravity in the matter of the purchase of stores to this country. In fact the object of the organisation of a Stores Department was gradually to effect such a transfer. But it would take time. He was against any sort of hastening with regard to this question, and he thought that the interests of the country would best be served by moving slowly. Mr. Petit strongly protested against the idea that India should move slowly with regard to such a vital question and the President also asked why had the system worked so well in the colonies if the Government were so nervous about it. He emphasised that his Committee were convinced that it was the only way in which the people could be made to believe the *bona fides* of the Government regarding their intentions. He urged that the process of transfer should be accelerated even though carefully. In reply to a question, the Hon'ble Mr. Innes stated that the High Commissioner had been

asking to submit a half-yearly statement of all cases in which tenders other than the lowest had been accepted. Some members of the Committee pointed out that under this procedure it would be about a year before the Government of India or the Members of the Indian Legislature could criticise any particular purchase after it was made. The President expressed the regret of the Committee that the Government of India while accepting the recommendations of the Railway Committee where securing funds was concerned dealt with their report in a piecemeal manner and that if any report of a Committee deserved prompt consideration it was this report. The Government had so far disregarded even points on which the whole of the Railway Committee was unanimous in the report, e.g. the Central Advisory Council and Local Advisory Councils. The Hon'ble Mr. Innes thought that the Chamber would have been the first to complain if the decision of a very urgent matter such as that of the five-year programme of capital expenditure had been deferred pending the consideration of the other numerous recommendations of the Acworth Committee. As regards Advisory Councils, the Government attached much importance to this part of the Acworth Committee report. They were in sympathy with the suggestion that Railway Administration should be brought as much as possible into touch with public opinion, and they had already addressed Railway Administrations and Local Governments on the subject of local Advisory Councils. It was not composed precisely as the Acworth Committee had proposed. But it contained representatives of every Province and of many of the Chambers of Commerce, and it was always available for consultation when the Legislature was sitting. Mr. Purshotamdas pointed out that the elected representative of the Chamber had not been appointed a member of the Railway Advisory Council. The Hon'ble Mr. Innes replied that the Hon'ble Mr. P. C. Sethna, a member of the Indian Merchants' Chamber and Bureau was a member of the Council. Mr. Manmohandas Ramji drew the attention of the Hon'ble Member to the fact that in answer to an interpellation put by him in the Legislative Assembly the Government had replied that the Legislature would be given ample opportunity for discussing the Report of the Railway Committee. No such opportunity had

been given. Mr. Innes pointed out that the Report had been in the hands of Members of the Legislature for some months. The question of separating the Railway Budget and of capital expenditure had been brought before the Assembly and it was open to Members to move Resolutions on any recommendation.

This closed the discussion and the meeting dispersed after the President had thanked the Hon'ble Mr. Innes for his interview.

APPENDIX 24.

Protest against the permanent appointment of the Hon. Mr. C. A. Innes as member-in-charge of the Commerce Department, Government of India.

Chamber's Telegram to the Private Secretary to His Excellency the Viceroy, Simla, dated the 4th April 1922.

"Committee Indian Merchants' Chamber deeply regret their previous telegrams dated 6th and 12th September 1921, regarding appointment of Indian in charge Commerce Department have been disregarded and Honourable Mr. Innes has been permanently appointed. Committee have nothing personally against Mr. Innes who during his temporary period has shown great capacity for work and grasp of problems but they are firmly of opinion that on principle the Portfolio of Commerce and Industry should be in charge of an Indian as otherwise Indian interests are likely to suffer.

PURSHOTAMDAS THAKURDAS,
Chairman,

VICEROY CAMP, INDIA.
6th April 1922.

Dear Sir,

I am directed to acknowledge your telegram of the 4th instant and to say that it has been laid before His Excellency the Viceroy.

Yours faithfully,
C. L. CORFIELD,
Assistant Private Secretary to the Viceroy.

To,
PURSHOTAMDAS THAKURDAS, ESQR., C.I.E., M.B.E.,
Chairman, Committee of Indian Merchants' Chamber,
Bombay.

APPENDIX 25.

Fifty Million Sterling Loan.

Telegram from Chamber, to the Private Secretary to His Excellency the Viceroy, Simla, dated the 4th April 1922.

"Regarding Fifty million sterling loan discussion in House of Commons Committee Indian Merchants' Chamber feel grave apprehension that raising loans in United Kingdom will prejudice India's purchases of Stores in cheapest market. They apprehend that various recommendations Stores Committee and other wishes of Assembly and this Chamber's views may still be disregarded in view relative proposals being in Committee stage. Chamber respectfully but emphatically sub nit whole-hearted measures to ensure purchase of stores for India preferably in India failing which in cheapest market imperative. What happened regarding this last year in England necessitates appealing to His Excellency the Viceroy to ensure this.

PURSHOTAMDAS THAKURDAS,
Chairman.

GOVERNMENT OF INDIA, DEPARTMENT OF INDUSTRIES.

No. S-360.

Simla, Dated the 27th April, 1922.

To

The President, Indian Merchants' Chamber and Bureau,
BOMBAY.

Subject:—Purchase of stores for India through the agency of the London Stores Department.

Sir,

With reference to your telegram dated the 4th April 1922, to the address of the Private Secretary to His Excellency the Viceroy, I am directed to forward for the information of your Chamber a copy of the correspondence which recently passed between the Government

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* Letter to the Secretary to the High Commissioner for India, No. S-360, dated the 22nd December 1921.

Letter from the Secretary to the High Commissioner for India, No. 521 H.C, dated the 25th January 1922.

of India and the High Commissioner for India on the subject noted above, in which are defined the principles which that officer has been instructed to observe in making purchases of stores.

I have, etc.

J. P. GANGULI,

Assistant Secretary to the Government of India.

No. S-360.

Delhi, dated 22nd December 1921.

From

J. C. B. DRAKE, Esq., I.C.S.,
Officiating Secretary to the Government of India,
Department of Industries.

To

The Secretary to the High Commissioner for India,
General Department, 42, Grosvenor Gardens,
London, S. W. I

Subject :—Purchase of stores for India through the High Commissioner.

I am directed to acknowledge the receipt of your letter No. H. C., dated the 9th August 1921, with which you forwarded a minute by the High Commissioner on the subject of the purchase of stores in England for Indian Railways, a copy of Sir William Meyer's evidence before the Indian Railway Committee and a note on the procedure of the Stores Department. These documents were laid on the table in the Council of State and the Legislative Assembly in reply to questions, and have been the subject not only of considerable comment in the public press, but of debates in both Houses. I am directed to forward copies of these debates for the information of the High Commissioner. It will be seen that the Government of India accepted in the Legislative Assembly a Resolution that—

"This Assembly recommends to the Governor General in Council that the High Commissioner for India in London should be instructed by the Government of India to buy ordinarily

the stores required for India in the cheapest market consistently with quality and delivery, and every case where this rule has not been followed, should be communicated to the Government of India with full reasons for the information of the Legislative Assembly."

A somewhat similar Resolution was accepted in the Council of State subject to certain reservations which were mentioned by the Honourable Member in charge of the Industries Department in the course of his speech. In view of these debates, the Government of India have again studied carefully the documents forwarded with your letter under reply.

2. I am first to refer to the question of calling for tenders. The procedure in this matter is explained in paragraphs 3–5 of the note on the Stores Department prepared by Sir George Collier. Tenders are obtained either by—

(1) advertisement ("open tender"); or

(2) invitation to a limited number of firms ("limited tender"); or

(3) invitation to one firm only ("single tender" or "private purchase)".

In accordance with the recommendations of the Committee of the House of Commons quoted in paragraph 3 of the note, it is left to the discretion of the Department to decide which of these three courses should be adopted, and the Government of India have no desire to interfere with that discretion. They assume that private purchase is resorted to only in rare and exceptional cases, and they observe that the ordinary practice is to call for competitive tenders, except in the case of—

(*a*) Patents and specialities;

(*b*) Comparatively small supplies; and

(*c*) Highly finished work, such as surgical and scientific instruments. The Government of India accept this practice as correct, and have only two remarks to make. In the first place, they desire that the register of firms eligible for "limited tender" should be periodically overhauled, and should be so framed as to include the names of

foreign firms of known reliability, which can be trusted to execute contracts satisfactorily. In the second place, they have considered whether "open tenders" should not be advertised in the important newspapers and technical journals of continental countries and America, as well as in those of the United Kingdom except where considerations of time render this course impossible. They observe that the High Commissioner is definitely of opinion that foreign manufacturers are so closely in touch with business openings in the United Kingdom that it is unnecessary to bring requirements specially to their notice, and the Government of India are willing to be guided by Sir William Meyer in this matter. The question, however, is one of some importance, and I am to ask that it should be periodically examined in the light of statistics of tenders received annually from foreign manufacturers, and with reference to the principles that where time permits, tenders should ordinarily be called for openly and generally and that the widest possible publicity should be given to such calls.

3. I am next to refer to the policy which has been laid down in regard to the acceptance of tenders. The Government of India fully realise that the cheapest tender is not always the most satisfactory, and that it is not infrequently economical to accept a higher tender on account of greater reliability, earlier delivery, smaller cost of inspection or other similar reasons. The principle which has been prescribed for the permanent guidance of the Department by Sir William Meyer is that the lowest "satisfactory" tender should be accepted. This principle is obviously correct, and indeed differs in no way from that advocated by Sir Vithaldas Thackersey, the Honourable Mr. L. Samaldas and the Honourable Mr. Sethna in the Legislative Assembly and the Council of State. Where a British and a foreign tender are equally satisfactory and equally cheap, the Government of India cordially agree that preference should be given to the former.

4. So far, there is no difference between Sir William Meyer and his critics in the Assembly and the Council of State. Criticism has turned mainly on the fact that admittedly the policy which has

been prescribed as the correct policy for the Department to follow permanently has temporarily been abandoned in the present abnormal circumstances. In particular, objection has been taken to Sir William Meyer's statement that, purely as a temporary measure and so long as the present abnormal conditions last, he is "willing to accept a satisfactory British tender in preference to a foreign tender when the gap between the two is not excessive" and that, "as a starting point he has laid down that the gap should not exceed 10 per cent." Moreover, exception has been taken to Sir William Meyer's practice of communicating foreign tenders confidentially to British manufacturers, in order to give the latter an opportunity of submitting a revised tender.

5. As regards the former point, the Government of India recognise that some misconception prevails in India. They are aware that Sir William Meyer has not laid down a hard and fast rule that a 10 per cent. preference may legitimately be allowed in favour of British tenders over foreign tenders. On the contrary, they understand that every case in which it is proposed to set aside a lower foreign tender in favour of a British tender is submitted for the High Commissioner's personal decision, and that each such case is decided on its merits. At the same time, the principle of preferential treatment for British firms in special cases has been admitted, and the lowest satisfactory tender is not always accepted. And, since the Government of India are most anxious that the operations of the Stores Department should be conducted purely on business principles, and should be free from any suspicion that British industries are being subsidized, even as a temporary measure, at the expense of the Indian tax-payer, they have thought it necessary, to examine the whole basis of the temporary deviations from the accepted policy of the Stores Department to which reference has been made above.

6. There is no room for doubt that, at present, in cases where tenders are called for in the open market, there is ordinarily a very wide margin of difference between the lowest British tender and tenders from countries such as Belgium and Germany. In a recent case which has been brought to the notice of the Government of India, the margin of difference between the five successful Belgian

tenders and the lowest British tenders varied from 43 to 91 per cent. The high cost of production in England no doubt accounts largely for the high British tenders, and the increase in the cost of production is believed to be due mainly to the increase in wages. In this matter however, as the High Commissioner will realise, the Government of India can do nothing to help. Much as they regret the unemployment in England, they are quite clear that they cannot allow orders to be placed in England at preferential rates merely to enable wages to be maintained at an uneconomic level. Such action on their part would be unfair to the Indian tax-payer, and moreover it would do nothing to solve the problem of the British munufacturer. For that problem there is only one solution, and that is for employers and employees to come to such adjustments as will enable the British manufacturers again to compete in the world's markets.

7. A more serious difficulty is that of foreign exchanges, since this factor, over which British manufacturers have no control is mainly responsible for the margin between the British and foreign tenders. In the case of the five tenders already referred to, the successful Belgian tenders, with one exception, would have been well above the lowest British tenders had Belgian exchange been normal. The difficulty is even more pronounced in the case of Germany, and the point is one which cannot be ignored in deciding what policy should be followed.

8. As regards Belgium, however, the Government of India have decided that the exchange difficulty constitutes no bar to the immediate enforcement of the permanent policy of the Stores Department. The capacity of Belgian manufacturers is strictly limited, and this being so, the Government of India see no reason why full advantage should not be taken of favourable tender from this country. The case of Germany is more difficult, but the Government of India consider that lower tenders received from Germany should be accepted if reliance can be placed on delivery up to time, up to sample and at the price agreed upon, and if they are otherwise satisfactory.

9. The conclusion, therefore, that the Government have arrived at is that all temporary expedients designed to meet an abnormal and transitory state of affairs should now be abandoned, and that the Stores Department, in placing contracts for stores and materials required for Government Departments in India, should revert to the ordinary business principle of accepting the lowest satisfactory tender. They desire, also, that the practice of disclosing foreign tenders of English manufacturers should be discontinued as being inconsistent with accepted business principles. The Government of India have no desire at all to fetter the discretion of the High Commissioner in deciding between tenders on the principle laid down, and, in making such decision, he will of course take fully into account such considerations as quality, reliability, ease of inspection, time of delivery and the like. In regard to locomotives, wagons and similar Railway Material, the High Commissioner in placing orders will, of course, bear in mind the importance of strict adherence to British standard specifications and Indian standard drawings. Deviations from the standard drawings, especially in respect of renewable parts, may cause great inconvenience in India. The Government of India consider however, that no preference should be given to British firms merely because they are British, except in the case referred to at the end of paragraph 3 of this letter, and they are of opinion that departure from the principle of accepting the lowest satisfactory tender can be justified only in case where the placing of an order with a foreign firm though temporarily securing a cheaper article, might have the result of depriving the High Commissioner in future of a source of supply on which he might have to rely for completing further orders.

10. They desire further with reference to the latter portion of the Resolution in the Legislative Assembly which recommends that, whenever an article has not been purchased in the cheapest market consistently with quality and delivery, the High Commissioner should communicate the full reasons to the Government of India for the information of the Assembly, that a half-yearly statement for the periods ending the 30th June and the 31st December, respectively, indicating the cases in which the lowest tender has not been accepted,

should be submitted in future, and that steps may be taken for the preparation and submission of these statements beginning with the statement for the period ending the 31st December 1921.

11. Finally, I am to explain that the Resolution, as moved in the Legislative Assembly, originally contained a clause recommending that the High Commissioner, when placing large orders, should insist on the contracting parties, if required by him to do so, granting facilities for the admission of Indian students as apprentices in their works, so as to afford them opportunities to acquire practical knowledge of manufacturing process. This portion of the Resolution was subsequently withdrawn by Sir V. Thackersey, pending the receipt of the report of the Indian Students Committee. The Government of India, however, undertook to communicate the suggestion to the High Commissioner and I am to ask that it may be considered and that the Government of India may be furnished with the views of the High Commissioner on the subject.

No. 521-H. C.

dated 25th January 1922.

From

J. W. BHORE, Esq., C.B E, I C.S.,

Secretary to the High Commissioner

for India, London,

To

The Secretary to the Government of India,

Department of Industries, DELHI.

I am directed by the High Commissioner for India to acknowledge the receipt of your letter No. S.-360 of the 22nd December 1921, communicating the instructions of the Government of India on the subject of the purchase of stores in England. The High Commissioner and his Store Department will loyally carry out the general instructions given: the High Commissioner has in fact, since he was apprised of the Resolutions of the Indian Legislature bearing on this subject and their acceptance by the Government of India, put a stop to the special temporary practice of allowing some preference

to British manufacturers, including the communication to those of competing foreign tenders, which the Government of India have now formally decided to do away with.

2. With reference to the question of calling for tenders the Government of India allude to a note by Sir George Collier in which the procedure is detailed, and have inferred that the course of inviting a tender from a single firm only ("single tender" or "private purchase"), instead of having recourse to advertisement or the invitation of competitive tenders from a number of firms, is resorted to only in rare and exceptional cases. This inference is not quite correct, since numerically such cases are not infrequent, owing to the fact that many items in indents for stores are either for quite trifling quantities, or specify particular kinds or manufactures of goods, for which it would be manifestly unbusinesslike or futile to invite competition. The High Commissioner desires, however, to assure the Government of India that the practice in question is one the possible abuse of which receives vigilant attention, and that it is restricted to cases in which it is clearly dictated by ordinary business considerations.

3. With regard to the desire of the Government of India that the register of firms eligible for limited tenders should be periodically overhauled, and that it should be so framed as to include the names of foreign firms of known reliability, I am to explain that this register is constantly being extended, and is at present being completely overhauled with a view to bringing it as far as possible up to date. In this process the inclusion of suitable foreign firms will receive particular attention in conformity with the instructions received. As it had seemed to the High Commissioner that some misconception exists as to the scope of the register (conduced to possibly by the use of the words "limited tenders" in Sir George Collier's note) he desires to mention that the register of approved contractors is a very comprehensive document. It fills two large volumes and contains the names of several thousands of firms classified under some 500 headings. Nor in practice have invitations to tender been confined rigidly to those upon the list, since either upon the advice of the consulting Engineers or other information, other firms, both British and Continental, are frequently invited.

4. As to the question of advertising requirements, I am to say that this course has been considerably extended during recent months and steps have been taken to ensure that when orders of any magnitude are contemplated the desirability of advertising shall be specifically considered in each case. In this connection, the instructions of the Government of India that the question of advertising in foreign newspapers, etc., should be periodically examined will be borne in mind. It may be remarked, however, that experience, so far, goes to show the correctness of the belief indicated in the enclosure to my letter of the 9th August 1921, that notifications in the leading British papers are watched by foreign firms. It may be mentioned also that in occasional cases advertisement of requirements is avoided because of the risk of such publicity producing an unfavourable effect upon the market concerned. For instance, in purchasing a very large quantity of coal recently with reference to a special order from the Railway Board, it seemed best to restrict enquiries to a moderate number of firms and to enquire for a smaller quantity than was actually required, the full quantity being subsequently negotiated for with the most suitable tenderer. Such cases are exceptional and are dealt with on their merits on commercial considerations.

5. The High Commissioner is, if he may say so, in full accord with the remarks in paragraph 9 of your letter under reply in regard to the considerations over and above mere price quotations which must be taken into account in deciding what is a 'satisfactory' tender, and he notes that the Government of India permit departure from the principle of accepting the lowest satisfactory tender in cases where the placing of an order with a foreign firm, though temporarily securing a cheaper article, might have the result of depriving the High Commissioner in future of a source of supply on which he might have to rely for completing further orders. But action in this direction will necessarily be very exceptional.

6. The Government of India desire to be furnished with the views of the High Commissioner in regard to a suggestion that, when placing large orders, he should insist on the contracting parties, if so desired, granting facilities to Indian students. The High Commissioner would explain in this connection that some months ago, on his own initiative,

he gave instructions that when the two lowest tenders are fairly close together, and where the lowest is that of a firm which has declined to admit Indian students, preference should be given to the other. The High Commissioner does not consider that it would be advisable to go beyond this, as otherwise the Indian taxpayer would be burdened unduly. It may be mentioned that the same principle has been adopted by the High Commissioner in deciding between two tenders, one from a firm which is upon the 'King's Roll', *i.e.*, has agreed to employ a certain proportion of disabled ex-soldiers, and the other not. In practice the question rarely arises and care is taken that no amount of any significance is secrificed.

7. Half-yearly statements will be submitted as desired, shewing for the periods ending 30th June and 31st December, respectively, all cases in which tenders other than the lowest have been accepted. These statements will be drawn up in two parts, one dealing with cases in which a lower foreign tender has been set aside wholly or partially in favour of a British offer, the other with cases in which such discrimination is made as between British firms. The first of these statements, for the half-year ending 31st December 1921, is now under preparation and will shortly be submitted. The High Commissioner understands that the statements are to exhibit all cases in which the lowest tender is rejected in favour of a higher one on such grounds as less expeditious delivery, uncertainty as to the reliability of the tenderer, lack of facility for inspection or shipment, inferior though still acceptable quality of goods offered, and similar considerations; but need not include cases in which the reasons for declining lower tenders are such as would, in any event, necessitate their rejection; for instance, cases in which the lower tenders were rejected because the goods offered were not of the necessary standard, or because unacceptable conditions attached to the offer. To the latter class (the numbers of which are likely to increase according as invitations to tender are more widely advertised) may be added tenders which have been received after the due date. It may be remarked that such tenders are on occasion accepted, but it is obviously necessary to exercise special care to prevent the practice of considering late tenders leading to abuse.

APPENDIX 26.

A proposal to establish an exchange by Post of Parcels weighing more than 11 lbs., the present maximum, but not exceeding 20 lbs.

POSTS AND TELEGRAPHS.

No. F. B. 12.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Dated, Bombay, the 20th March 1922.

Sir,

I have the honour to enclose a copy of a letter No. E.C.–35, dated the 15th March, 1922 from the Director-General of Posts and Telegraphs, Calcutta to my address regarding a proposal to establish an exchange by post of parcels weighing more than 11 lbs, the present maximum but not exceeding 20 lbs and to request that you will kindly favour me with your opinion on the subject by the 15th April, 1922. A Copy of clause 253 of the Post and Telegraph Guide (January 1922 edition) bearing on the subject is also enclosed.

I have etc,

ILLEGIBLE,

For Postmaster-General.

Copy of a communication No. E.C.-35, dated 15-3-22, from the Director-General, Posts and Telegraphs, Calcutta, to the Postmaster-General, Bombay Circle.

The Imperial War Conference on the 11th of July 1918 passed a Resolution to the effect that the facilities for Inter-Imperial parcels delivery should be enlarged, improved and co-ordinated and in accordance with this resolution, the Board of Trade and the British Post Offices have now drawn up a draft scheme, the main features of which are briefly as follows :—

(1) The British Post Office is prepared to enter into an agreement with India and the Dominions and Colonies for the establishment of an exchange by post of Parcels

weighing more than 11 lbs., the present maximum, but not more than 28 lbs., distinct from and supplementing the existing services up to 11 lbs in weight.

(2) The handling of these heavy parcels should be subject to special restrictions . ., the parcels over 11 lbs would not be delivered by the Post Office to the consignee's address, except at an additional charge and the posting would have to be restricted to the head post offices in the largest towns. The sea service might also in many cases be performed by slower steamers than the fast mail boats.

(3) Charges

(a) Sea Conveyance—It is scarcely practicable in view of the variations in the freight rates, to fix uniform Inter-Imperial rates, unless countries like India are willing, for the sake of uniformity, to pay higher rates than they do, as a set-off to the lower rates chargeable to the more distant dominions.

(b) Rates for Land Service.

(*i*) United Kingdom—The British Post Office will attempt to fix uniform rates as the territorial charge in the United Kingdom for such parcels but cannot yet state what this rate will be.

(*ii*) Dominions and Colonies—The rates will clearly have to be fixed by the Dominions and Colonies themselves and India is requested to state what will be its own territorial charge on such parcels.

(4) Prepayment of customs duty.

(*i*) The arrangement in force in the United Kingdom by which the senders deposits, at the time of posting, 50 per cent of the declared value of the parcels to meet the customs charges when assessed at the country of destination, may be applied to parcels exceeding 11 lbs., in the proposed service.

(*ii*) India and the Dominions might post special Customs officials at the out-ports in the United Kingdom for the assessment of duty which would be recoverable from the sender before the parcels are despatched.

2. The provisional conclusions at which the Government of India have now arrived with regard to the draft scheme, are briefly stated below :—

(1) the service should be limited to 20 lbs. for parcels to and from India.

(2) no special restrictions and no local territorial charges are required. Separate arrangements by slow going steamers are objectionable.

(3) Government of India is not agreed to pay higher rates than the service actually necessitates in order to make good any losses on the longer leads to the far distant Dominions.

(4) (*i*) Customs duty advance deposits are not favoured.

(*ii*) Government of India cannot arrange for the entertainment of Customs Investigating officers in the United Kingdom. Customs dues may be paid by the consignee at each end.

(5) The 50 lbs parcels Postal service may be abolished along with the introduction of the new 20 lb. overseas service.

3. It is not yet possible to say what will be the rates of postage on these heavy parcels, but in the meantime I am to request that you will kindly ascertain from all local bodies, that may be interested in the matter, their opinion on the subject and forward to this office, as early as possible, a summary of their replies with any remarks which you may have to offer.

253 Treatment.—Parcels addressed to the United Kingdom are divided into two classes, *viz.*, (1) those not exceeding 11 lbs. in weight and (*ii*) those exceeding 11 lbs but not exceeding 50 lbs in weight:

(*i*) Parcels not exceeding 11 lbs in weight are forwarded as mails to the British Post Office, the rates of postage applicable to such parcels being as follow :—

	Via Gibraltar.		
For a parcel	Rs.	a.	p.
Not over 3 lbs	1	8	0
Over 3 lbs., but not over 7 lbs ...	2	12	0
Over 7 lbs but not over 11 lbs ...	3	15	0

These parcels are delivered by the Post Office and the postage paid carries them to destination. As regards the insurance of these parcels, see clauses 240 to 252.

(*ii*) Parcels which exceed 11 lbs but which do not exceed 50 lbs (the maximum allowed) in weight are forwarded from India through the medium of the P. & O. S. N. Co., and are delivered at destination under arrangements made by that Company. The postage charge applicable to such parcels is eight annas for each pound or fraction of a pound. The parcels are delivered free of charge within a radius of one mile from the Company's Head Office in London ; if addressed to any place beyond that radius, carrier's charges are levied from the addresses on delivery. Parcels thus forwarded through the P. & O. S. N. Co., cannot be insured during transit beyond India, but must, if they contain coin etc,, be insured during transit in India under the rule laid down in Clause 250. No acknowledgment of delivery can be obtained in respect of these parcels.

Note. 1. An arrangement also exists with the P. & O. S. N. Co., for the transmission of heavy parcels exceeding 11 lbs in weight up to a limit of 50 lbs from the United Kingdom to India. Such parcels should be prepaid with postage at the rate of 1s per pound or fraction of a pound. Books despatched through this Agency are charged with postage at 6d. per pound. Parcels containing Jewellery, gold silver watches or precious stones are liable to an extra *ad-valorem* rate of 1s. per 5 £ of value. Parcels may also be insured at the option of the senders, from London to their destination in India at a charge of 1s. per £ 6 of value. Enquiries regarding such parcels should be addressed to the P. & O. S. N. Co., 122 Leadenhall Street, London, E.C.

Note 2. 39 tolas are reckoned as the equivalent of 1 lb.

T. 461

18th May 1922.

To

The Post Master General,

BOMBAY.

Sir,

With reference to your letter No. F.B. 50* dated the 24th April 1922, I am directed by my Committee to say that before giving their opinion on the provisional conclusions arrived at by the Government of India in respect of the draft scheme drawn up by the Board of Trade and the British Post Office for the improvement, enlargement etc., of the Over-Sea Parcel Post Service they will like to have full information on the following two points :—

Reasons which might have led Government of India (1) to favour the reduction of the proposed parcel weight from the suggested 28 lbs. to 20 lbs.

(2) To abolish the existing 50 lbs. Parcel Post Service.

I beg etc.

S. M. MUZUMDAR,

for Secretary.

POST OFFICE.

F. B—50.

To,

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Bombay, Dated the 26th May, 1922.

Sir,

With reference to your letter No. T-461, dated the 18th May, 1922, I have the honour to say that the Director—General of Posts and Telegraph, Calcutta, who was addressed on the subject, intimates

* Reminder.

that he is not in possession of the full information but it is probable that the chief reason for the decision is the weight of 20 lbs corresponds to the limit for inland registered parcels.

I have, etc.
ILLEGIBLE,
For Postmaster—General.

No. —532.
13th June, 1922.

To

The Post Master General, Bombay Circle.

BOMBAY.

Sir,

With reference to your letter No. 12 F. B. dated the 20th March, 1922, I am directed by my committee to say that they generally approve of the provisional conclusions arrived at by the Government of India in respect of the draft scheme drawn up by the Board of Trade and the British Post Office for the improvement, enlargement, etc, of the Over seas Parcel Post Service. My committee however do not understand why the Government of India favour the reduction of the proposed parcel weight from suggested 28 lbs to 20 lbs and also the abolition of the existing 50 lbs Parcel Post Service and regret that the Government of India are not in a position to secure this information for them.

I beg etc.
S. M. MUZUMDAR,
for Secretary.

APPENDIX 27.

The Excise Committee.

Excise Committee's Office,
OLD CUSTOM HOUSE,
Fort, Bombay, 4th March 1922.

To,

The Secretary, Indian Merchants' Chamber and Bureau,

Sir,

I have the honour to send the accompanying questions to your Association and to request you to be good enough to consult your

Association and to submit its views on them for the consideration of the Committee. You are further requested to send the replies as early as possible and in any case so as to reach me before 16th March, 1922.

If the Committee decides to invite your Association to give oral evidence, you will be duly informed of the time and the place. The Committee will be glad to know whom you will select as the representative of your Association to give oral evidence,

I have etc.

S. G. VAZ.

Secretary.

EXCISE COMMITTEE.

LIST OF QUESTIONS.

1. Will you state your profession and what opportunities you have had of forming an opinion on the questions indicated below?

2. What is your opinion generally on (*a*) the excise policy of Government as laid down in the Government of India's letter F. D. 5001 Exc. of 7th September 1905, the substance of which is quoted below, and (*b*) the actual results of the policy as it has been carried out in practice? And do you consider that it has put an effective check on intemperance?

Extract from the Government of India's Letter.

"The Government of India have no desire to interfere with the habits of those who use alcohol in moderation; this is regarded by them as outside the duty of the Government and it is necessary in their opinion to make due provision for the needs of such persons. Their settled policy, however, is to minimise temptation to those who do not drink, and to discourage excess among those who do, and to the furtherance of this policy all considerations of revenue must be absolutely subordinated. The most effective method of furthering this policy is to make the tax upon liquor as high as it is possible to

raise it without stimulating illicit production to a degree which would increase instead of diminish the total consumption and without driving people to substitute drugs for alcohol or a more for a less harmful form of liquor. Subject to the same considerations, the number of liquor shops should be restricted as far as possible, and their location be periodically subject to strict examination with a view to minimise the temptation to drink and to conform as far as is reasonable to public opinion, It is also important to secure that the liquor which is offered for sale is of good quality and not necessarily injurious to health."

3. If you advocate any change in the above policy, what suggestions would you offer to improve upon it?

4. Are you in favour of total prohibition? If so, will you state briefly your reasons? Do you consider it to be a practical measure? If so, what steps would you suggest for carrying it out?

5. If you favour prohibition, total or partial, how would you meet the following among other objections usually urged against the adoption of this policy:—

(*a*) The facility of obtaining liquor by illicit means from palm trees, jaggery, *kaju* and other sources; (*b*) The proximity of Native States and Portuguese territory and the impracticability of enforcing prohibition on them as well as on the neighbouring British districts; (*c*) The customs and habits of certain classes in the Presidency and the possibility of serious discontent if those customs and habits are interfered with; (*d*) The necessity of maintaining a preventive establishment large enough to cope with illicit distillation everywhere and the increased temptations to levy illegal exactions on the part of the establishment; (*e*) The probability of people taking to other intoxicants and deleterious drugs.

6. What is your opinion on the argument frequently advanced that prohibition, although it might not be effective in the present generation, will have a large influence on the next?

7. If you consider that the end to be aimed at is the complete

cessation of consumption of alcoholic liquor, is prohibitive legislation the only means in your opinion for attaining that object or have you any alternative method, legislative or other, to suggest by which this goal can be reached?

8. Would you apply the principle of prohibition to all liquors, whether distilled or fermented? Would you, for example, prohibit the use of toddy or *shindi*?

9. If in your opinion absolute prohibition is not feasible or desirable, what means would you suggest to control consumption of all kinds of liquors and to gradually reduce it?

10. The following are some of the means suggested of controlling consumption:—

(*a*) Rationing of shops; (*b*) Increasing the price of liquor; (*c*) Reducing the number of shops; (*d*) Reducing days and hours of sale; (*e*) Reducing the strength of liquor; (*f*) Regulating the location of shops; (*g*) Restricting or prohibiting the importation and sale of foreign liquor; (*h*) Regulating and where necessary prohibiting certain kinds of licenses; (*i*) Prescribing age limit for customers of liquor; (*j*) Encouraging temperance work by subsidising Temperance Associations or by other means; (*k*) Restricting or prohibiting the removal of liquor from shops. Have you any constructive proposals to make on all or any of these means, or can you suggest any other means towards that end;

11. Are you in favour of the introduction of the principle of local option? If so, would you suggest the means by which local option should be exercised by the public?

12. Would you favour the suggestion of investing local bodies, *e.g.*, municipalities and district or taluka local boards, with the power of determining the number and location of shops in their respective areas? If you are in favour of investing local bodies with such power, would you be in favour of making them responsible for raising any part of the revenues that would be sacrificed by the exercise of such powers in their area?

13. Have the existing Advisory Committees been found to be useful institutions? If not, what changes would you advocate in the constitution of these Committees?

14. Does the evil of drink contribute to an increase in crime and has it any effect on the output of work?

15. If the net result of the recommendations you would make be reduction or absolute extinction of excise revenue, what sources of income would you suggest to make up the loss?

Note on Financial Situation.

Submitted by Mr. P. J. Mead, C.S.I., C.I.E.

The net revenue from Excise may be taken at 3—4 crores. [The deficit due to prohibition or even severe restriction may be higher still, as establishments will require considerable strengthening, if illicit distillation is to be suppressed.]

Our other revenues are roughly :

Land Revenue	4 crores
Stamps (with new taxation)	2—2½ crores.
Forests	87 lakhs.
Irrigation	21 lakhs.
Smaller receipts	3 crores.
	10 crores.

And expenditure 13 crores (after deduction of book adjustments under Land Revenue and the 60 lakhs economies just effected).

All public services rendered have to be financed out of the above resources, *e.g.*, Education, Medical, Courts of Justice, Police as well as administration generally. No Provincial revenue is derived from Customs, Railways, Income Tax and Salt. New taxation must add to existing rates of taxation or be entirely new. Surcharges, *e.g.*, on Income Tax can yield small sums only as the main revenue is earmarked for Central purposes. At present expenditure and revenue are balanced with difficulty and savings by retrenchment are practically absorbed by the increasing demands of education.

16. Have you any special remarks to offer in the matter of prohibiting and restricting the use of opium and hemp drugs?

17. How far in your opinion is the custom of giving opium to young children prevalent, and among what classes? What effect do you consider this custom has on the death-rate among children?

No. 348.

27th April, 1922.

To,

R. F. Gorvala, Esq.,

Secretary, Excise Committee.

BOMBAY.

Sir,

* * * * *

I am directed to send, herewith, to you the replies of my Committee to the questionnaire sent by your Committee.

I beg etc.,

J. K. MEHTA

Secretary

Replies of the Indian Merchants' Chamber and Bureau to the questionnaire of the Excise Committee.

1. The Indian Merchants' Chamber is a representative body of Indian Merchants in Western India. The present Membership is 550.

2. The Excise policy of the Government as laid down in the Government of India's letter No. F. D. Salt-Exc, of the 9th September 1905, my committee regret to observe, has proved a failure in actual practice. My Committee are firmly of opinion that the Government and the people should have the goal of total prohibition before them. They mention that "the settled policy of the Government was to minimise temptation to those who did not drink and to discourage excess among those who did", and that "to the furthe-

rance of this policy all considerations of revenue must be absolutely subordinated. My committee believe they do not exaggerate when they say that in actual practice considerations of revenue instead of being subordinated to the ideal the Government have set before them have reigned supreme and it is this fact more than any other which the Committe believe has made the Excise policy of the Government unpopular. In consequence of this subordination of the ideal to considerations of revenue the policy laid down in 1905 has not resulted in any effective check being placed on intemperance. The consumption has steadily gone on increasing both in value and volume inspite of the many and frequent increases in duty charges.

3. The enunciation of the policy is good as said above but it should not be left at that. The Government should wholeheartedly march towards the goal of prohibition though the Committee recognize that two principal objections present themselves. There will be the loss to the revenue and there will be a danger of illicit distillation. My Committee think that in public interests neither of the difficulties should stand in the way of attempts being made to reach the goal in as short time as possible. It is interesting to note that none of these difficulties has come in the way of even such States as the Chile and Urugway Republic from carrying forward the programme of total prohibition. There is before the Chilean Congress legislation proposing a reduction of production of alcoholic beverages at the rate of 20 per cent-a year for four years; and the removal of the tax upon non-alcoholic beverages made from grapes. It is proposed by this small but enterprising republic to turn vineyards into walnut fields and to devote the surplus of its income derived from its production of wines to training up people to fight against the drink evil and to gradually introduce other industries which will give the same revenue to the state as is at present given by the drink traffic. My Committee are of opinion that a similar work can be done with success by the Government here if the Government apply themselves to achieving the goal of total prohibition in a stipulated period. Mowra flowers are at present the principal raw material from which alcoholic preparations are made. It will be seen from the extracts from letters written by Mr. Bell, Director of Industries,

(copies of which have already been submitted by Mr. Purshottamdas Thakordas, President of this Chamber, to the Committee) that these Mowra flowers can be utilized for making Power alcohol. The Government also can develop forest industries which have been so badly neglected up to this time.

4. My Committee are in favour of total prohibition, means for arriving at which goal have been described in the reply to Question No. 3. The principal reasons for the belief of my Committee in total prohibition are the following :—

(*a*) All the different religions of India have placed the drink under a ban.

(*b*) There is a consensus of opinion all the world over that the drink habit is pernicious and highly detrimental to the moral and material well-being of society sapping away the foundation of all industries. A resolution with regard to this was passed by the First Session of the Indian Industrial and Commercial Congress, a copy of which is annexed herewith.

(*c*) The growing feeling against the drink evil in the country appears to suggest that its eradication will not prove very difficult.

(*d*) The beneficial effects of the prohibition in other countries notably in the United States of America where in the words of President Harding "in every community men and women have had an opportunity now to know what prohibition means." "They know" he proceeds "that debts are more promptly paid; that men take the wages that once were wasted in saloons; that families are better clothed and fed and more money finds its way into the Savings Bank. The liquor traffic was destructive of much that was most precious in American life."

Regarding the second part of the question if the United States of America has found it a practical measure there is no reason why India where the problem is much less acute than in America, and the administrative machinery claimed to be most efficient, should not.

With regard to the steps which should be taken to bring about the desired end of the drink evil, my Committee suggest that the Government should declare total prohibition as their definite goal and in the meanwhile begin making use of the Mowra flowers for industrial purposes and developing forest industries so as to enable them to get the revenue which they are getting at present from the drink traffic. If to help China in eradicating her opium evil the Government could forego a revenue of about Rs. 8 crores, there is no reason why the Government of Bombay cannot attempt to forego its revenue of Rs. 4 crores in a definite period for the benefit of the people of this Presidency.

5 (a) and (b). If the illicit manufacture or smuggling of other articles has been and is being successfully prevented or checked, it does not stand to reason why alcoholic drinks should prove an exception.

(c). If the suppression of a custom like "Satee" could be successfully carried out inspite of the strenuous opposition of the public on religious grounds, the danger of "serious discontent" in a case like the present should not exercise our brains at all. Again if the possibility of discontent generated by the forced establishment of liquor shops against the expressed will of 75% of the population could not deter the administration from their determined policy, the feared discontent against temperance and even total prohibition can be treated as illusory.

(d). Most of "the other intoxicants and deleterious drugs" are perhaps not so baneful in their effects, or tempting or cheap enough and the facilities to obtain them will also be restricted when the organized method of placing intoxicants in the way of the people is progressively done away with.

6. The effect of prohibition will undoubtedly be great on the present generation, but far greater on posterity. The complete working out of a course must of necessity take a long time.

7. Please refer to answer to Ques. No. 8. My Committee would contract the quantity and gradually reduce it say 5 per cent a year. But the success would depend on a sound use of Mowra flowers and other raw materials for non-alcoholic purposes.

8. Yes, the policy should apply to all intoxicants.

9. In the opinion of my Committee absolute prohibition is both feasible and desirable, though it is a matter of time and it would be achieved by reducing quantities and increases in costs.

10. The existing Advisory Committees have proved themselves powerless and therefore unable to exercise any very appreciable influence on the checking of the evil.

14. The drink evil does contribute to an increase in crime and affects out-put of work in industries.

15. Retrenchment, rigid economy, increased attention to starting and fostering forest industries and utilizing Mowra flowers for industrial purposes are some of the means which may be suggested to make up the loss of revenue suffered by the Government.

My Committee cannot help stating that in as much as Government have gone against their own declared policy and raised huge revenues from such a pernicious evil, they are not now justified in putting before the critics of their Excise policy the financial aspect of the question.

16. These drugs should be controlled. My committee believe that the use of hemp and opium has decreased since the Government controlled the same. If this be correct, it would be interesting to find out how Question Nos. (b), (c) and (d) as mentioned in Question No. 5 above by the Committee have been got over in the case of these two drugs.

Copy of Resolution referred in Committee's written evidence 4 (b).

This Conference urges that, in view of the great benefits to trade and industry, which have already been secured by the United States of America, through their prohibition of liquor and in view of the fact that the efficiency and welfare of Indian labour have greatly

suffered through the liquor traffic the Government of India should set before themselves the early adoption of the policy of total prohibition of the manufacture, import, and sale of liquor, in the country for intoxicating purposes.

APPENDIX 28.

Recommendations, of the Deck Passenger Committee.

No. 1380.

General Department, Secretariat, Fort, Bombay.

Dated the 18th January 1922.

To,

The Secretary, The Indian Merchants' Chamber & Bureau,
BOMBAY.

Subject :—Recommendations made by the Deck Passenger Committee.

Sir,

I am directed by the Governor in Council to forward herewith a copy of a letter (with 5 spare copies) from the Government of India, Department of Commerce, No. 6372, dated the 4th November 1921, on the subject noted above, and to request that your Chamber may be asked to favour Government with their opinion on the points raised by the Government of India and on the Report of the Deck Passenger Committee generally. I am to add that, as the Government of India have asked for a reply by the 1st March 1922, the Government of Bombay would be obliged if the Chamber's opinions are communicated to them by the 1st February 1922 at the latest.

I have etc.

S. N. ZIMAN.

Deputy Secretary to the Government of Bombay,
General Department.

No. 6372.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

Merchant Shipping.

From

The Hon'ble Mr. H. A. F. Lindsay, C.B.E., I.C.S.,

Secretary to the Government of India,

To

The Secretary to the Government of Bombay

Marine Department. etc.,

Dated 4th November 1921.

Sir,

I am directed to invite a reference to this Department's Resolution No. 3750, dated the 25th May 1921, regarding the Report of the Deck Passenger Committee.

2. Many of the questions dealt with in the Report are very difficult and controversial, as is indicated by the fact that there was much difference of opinion even among the members of the Committee. The Government of India have therefore thought it necessary, before inviting the views of Local Governments on the recommendations of the Committee, carefully to examine those recommendations in order that they may be able to formulate their own views on the main question raised in the Report. It will be understood, however, that they have adopted this course solely with the object of expediting the disposal of the case, and that the views expressed below are intended to be purely provisional. The Government of India are quite prepared to reconsider them in the light of such criticisms as this letter may elicit.

3. The important chapter of the Report is Chapter II, which contains the recommendations of the Committee as to the amount of space to be prescribed for each passenger on board a ship to which the Native Passenger Ships Act, 1887, applies. As the Act stands at present, voyages are divided into "long voyages" and "short voyages."

The former is defined as a voyage "during which the ship performing it will, in ordinary circumstances, be one hundred and twenty hours or upwards continuously out of port". A "short voyage" is a voyage during which the ship performing it will not, in ordinary circumstances, be one hundred and twenty hours continuously out of port. Section 18 of the Act prescribes that steamships (which alone are of importance at present) performing a short voyage in seasons of fair weather shall contain in the between—deck at least six superficial feet and thirty-six cubic feet of space available for each between-deck passenger, and on the upper deck at least four superficial feet for each between-deck passenger and at least six superficial feet for each upper-deck passenger. During seasons of foul weather, the limits of space are increased as below:—In the between-deck at least 9 superficial feet and 54 cubic feet for each between-deck passenger, and in the upper deck at least four superficial feet for each between-deck passenger, and at least nine superficial feet for each upper deck passenger. Rules as to long voyages are contained in a notification issued by the Government of India, (No, 1356, dated 14th March 1889) under the provisions of section 56 of the Act. Under this notification a steamship performing a long voyage must contain in the between-deck at least 9 superficial feet and 54 cubic feet for every passenger *plus*, in the upper deck at least, 6 superficial feet for every between—deck passenger.

4. There is general agreement among the members of the Committee that the above rules are not suited to modern conditions, and that the space allowances require improvement. But here all unanimity ends, and the Committee were able to come to agreement neither as to the classification of voyages for the purposes of the Act, nor as to the minimum space allowance to be prescribed for each class of voyage. The two expert members of the Committee lay stress on the class from which deck passengers are mostly drawn. They emphasize that if space allowances are increased materially, an enhancement of fares must inevitably follow, and they believe that deck passengers as a class, if they could be consulted, would prefer to subordinate considerations of comfort to cheapness of fares. They point out that, owing to the fact that 'obstructions' such as hatchways,

passage ways, the space under ladders, masts and ventilating fans, and the like, are not measured for passage accommodation, the accommodation actually available for passengers is greater than the space allowances now in force appear to indicate. And for these reasons they press for a less liberal increase in space allowances than the rest of the Committee on general grounds are in favour of.

5. The Government of India fully appreciate the great difficulty of the question. They agree that space allowances ought to be increased. They agree also that it is undesirable that increase in space allowances should be made the pretext for a material increase in fares, and they are the more reluctant that any amendment of the Native Passenger Ships Act, which they may think it necessary to make, should have this result, since they have recently been compelled to propose more stringent regulations for these ships in respect of the provision of life-boats and other safety appliances, which regulating will undoubtedly involve owners in increased expense. In framing their provisional proposals they have kept these considerations prominently in mind. At the same time, they think it necessary to point out that they are unable to accept the argument that spaces which are deliberately excluded from measurement should be taken into account in fixing space allowances. Hatchways, if they exist at all, must be very small on steamers of the purely passenger type (class B in paragraph 11 of the Report), and moreover it appears from Chapter III of the Report that they are frequently left open. As regards passage ways, attention is invited to paragraph 13 of the Report of the Committee on Life Saving Appliances. The Government of India do not propose to argue the point further. They think that the soundness of the principle that spaces excluded from measurement should not be taken into account in fixing space allowances, will meet with general acceptance.

6, The ground can also be cleared in other respects. The Government of India see no objection to the proposal in paragraph 16 that a flat rate of space allowance should be substituted for the occupation space *plus* airing space at present provided for between-deck passengers, but provisionally they agree that the acceptance of this suggestion may involve the amendment of the Act in the direc-

tion indicated in recommendation No. (iii) in paragraph 35-A. of the Report. They entirly agree that the 5' rule (paragraph 29) should be abolished, and they also agree that different space allowances should be prescribed in short voyages for fairweather and foul weather season, respectively. Finally, I am to say that they are much in favour of the introduction of the system of notification by compartments referred to in paragarph 32. This system is in accordance with English practice, and was also recommended in paragraph 12 of the Report of the Committee on Life Saving Appliances.

7. In considering the question of space allowances, obviously the first point for decision is how voyages should be classified for the purpose of these allowances. At present, as has already been stated, voyages are classified as 'long' voyages and 'short' voyages, the latter class again being sub-divided into voyages in the fair weather season and voyages in the foul weather season. It will generally be admitted, it is thought, that this classification is not sufficiently elastic, and the Government of India further accept the view of the Committee that regard should be had to existing trades in drawing up the schedule of classes, and that more space is needed on 'long' voyages than on 'short.' In paragraph 15 a doubt is expressed whether the distinction between 'long' and 'short' voyages should be maintained. The Government of India, however, are disposed to think that there is good reason for the distinction. If a ship is constantly putting into port, it does not necessarily follow that the same passengers are on board during the whole voyage, or, that the ship is equally crowded all the time. On some section of the voyage, she may carry her full complement of passengers, but on other sections she may be half empty. On the other hand, when a crowded ship starts on a voyage in which she will be out of port continuously for 120 hours, there is no hope of relief for five full days, and the Government of India presume that the distinction between a 'long' and a 'short' voyage is based upon this consideration. They are inclined to agree, however, that the distinction as at present defined is defective. They understand, for instance, that a voyage from Bombay to Basrah, as performed by the steamers of certain companies, now counts as a 'short' voyage, since the longest run between any

two ports on the voyage takes only 4½ days. The whole journey ordinarily takes from 22½ to 25 days. Now it is quite conceivable that a steamer performing a 'short' voyage of this kind is crowded on every section, and that some passengers are on board throughout the voyage. If so, such passengers are much worse off than passengers on 'long' voyage, since in addition to overcrowding they have the discomfort of disturbance when the ship is in port at night. While, therefore, the Government of India are provisionally of opinion that the distinction between a 'long' and a 'short' voyage should be maintained, they agree with the majority of the Committee that the definitions require alteration. They are inclined to think that a 'long' voyage might suitably be defined alternatively as a voyage in which a ship in ordinary circumstances is 120 hours out of port or, as a voyage ordinary duration of which between the two terminal ports is a specified number of hours or more. A definition of this kind would probably meet the objections just pointed out, but it is probable that the object in view would be attained sufficiently well by the adoption of the recommendation of the majority of the Committee that 72 hours should be substituted for 120 hours in the existing definition of a 'long' voyage. I am to ask whether the Government of Bombay etc., consider that the definitions of 'long' and 'short' voyages require alteration, and if so, what revised definitions they would propose.

8. Provisionally the Government of India are prepared to accept the classification of voyages proposed by a majority of the Committee in paragraphs 17—24. The classification has been drawn up with due regard to the main existing trades and to the types of steamers ordinarily employed on those trades, and the Government of India think that it will be sufficiently elastic.

9. As regards space allowances, there is no difference of opinion in respect of 'long' voyages. An allowance of 15 square feet for each passenger is recommended, and it is thought that this figure may be accepted as a maximum. The question of the minimum is much more difficult. The question is gravely complicated by the question of fares, and also on some classes of voyages by that of luggage, and judging by 3rd class Railway travelling in India, the Government of India consider that it would be a mistake to raise the fare against deck

passengers by being too solicitous for their comfort. But sea travelling is complicated by sea-sickness, and it is thought that it might be laid down as a reasonable proposition that ordinarily the deck passenger should be entitled to enough space to enable him to lie down in moderate comfort. From paragraph 10 it appears that the least average space in which a deck passenger can lie down with the minimum necessary personal effects, is 9·2 square feet. The Indian members of the Committee think that, having regard to the general rise in the standard of comfort, the datum line should be pitched somewhat higher; the expert members of the Committee, on the other hand, think that a minimum of 9·2 square feet is unnecessarily high. Having regard to the conditions of the problem, the Government of India think that the figure of 9·5 square feet suggested by the President is a reasonable compromise, and they suggest that a minimum space allowance of 9·5 square feet per passenger should be prescribed for the class of voyage referred to in paragraph 20. In festival seasons they agree that local Governments should be empowered, on the conditions proposed in paragraph 19, to fix a somewhat lower rate. The Committee suggest an allowance of 9 square feet for each passenger. On some runs during festival seasons it is possible that Local Governments may think that even a lower figure might reasonably be prescribed. It is understood that the Government of Bombay is mainly concerned, and that the question is of importance mainly in respect of runs south of Bombay. It is believed that the luggage difficulty does not exist to any marked degree on these runs, and having regard to the difficulties of 'rush periods' pointed out by Mr. Ritchie on page 54 of the Report, the Government of Bombay may prefer to be empowered to prescribe a special space allowance for times of festivals of 7·5 or 8 square feet. The Government of India will await proposals in this respect. For the remaining classes of voyages specified in paragraph 35 A (*b*), (*c*), (*d*), (*e*), and (*f*), they are prepared to accept as a basis of discussion space allowances of 11, 12, 14 and 15 square feet, respectively.

10. The Government of India are also willing, subject to any remarks which Local Governments may think it necessary to make, to agree to the remaining recommendations in paragraph 35-A of

this Chapter, with the exception of recommendation No. (XVII). On this question they prefer to reserve judgment until the need for considering a suggestion which is unusual and is open to obvious economic objections, arises.

11. They have few remarks to make at the present stage on the proposals in Chapter III. The general principles laid down by the Committee in regard to measurement appear to them to be unquestionably sound; and having regard to the remarks of the Committee on Life Saving Appliances in paragraph 10 of their Report, they attach special importance to the recommendations that decks the whole length of which, fore and aft, is occupied by boats, should not be measured for passengers, and that in the case of decks which are utilized for carrying passengers as well as boats the space occupied by the boats should be kept clear of passengers by carrying a raling round the inner side of this space instead of between the boats and the ship's side. Special attention is invited to the recommendation that no between-deck or lower between-deck should be measured for platforms unless it is fitted with sleeping platforms. Mr. Ritchie (paragraph 7 of his minute of dissent) does not agree that the provision of these sleeping platforms should be made compulsory, and advises that merely a recommendation should be made to the steamship companies. His argument is that many steamers carry cargo and passengers alternatively in between-decks, and there is much force in this argument, since it is believed that twelve out of the twenty-four steamers of the Bombay Steam Navigation Company carry passengers and cargo alternatively in between-decks. It is understood, however, that sleeping platforms can be created in such a way that they lie nearly flat against the ship's sides when not in use, and it is doubtful whether the loss of available cargo space would be appreciable. The Government of India, therefore, are disposed to accept the Committee's recommendation, and they commend it for the careful consideration of Local Governments.

12. The Government of India agree that a detailed set of instructions, on the lines of the Board of Trade Instructions as to the *survey of passenger accommodation* might usefully be prepared for the guidance of Ship Surveyors in India, and as soon as the general

principles of measurement have been definitely settled, they propose to examine the question how best this recommendation of the Committee can be carried out.

13. The question of passengers' luggage, dealt with in Chapter IV of the Report, is a difficult one. It is unquestionable that the luggage taken on board by deck passengers is responsible, on many runs, for much of the overcrowding which exists, and, as will be seen from paragraph 13 of the Report of the Committee on Life Saving Appliances, the present practice is objectionable from the point of view of safety. The difficulty of remedying the evil, especially on steamers plying between Bombay and Karachi and ports in the Persian Gulf is admitted, but the Government of India are clearly of opinion that it should be carefully considered whether the problem cannot be tackled. In this connection, I am to draw attention to Rule 53 of the Rules published under section 58 of the Pilgrim Ships Act, 1895 (Notification No. 1902, dated the 14th October 1910), and to enquire whether a similar rule could not be enforced in respect of ships governed by the Native Passenger Ships Act.

14. Subject to the following remarks, the Government of India are provisionally of opinion that the recommendations in Chapter V of Report might be accepted. In principle, they approve of the proposal that owners should be required to provide at least two permanent latrines for every hundred passengers which a vessel is licensed to carry, subject to a maximum of 60 in all, and they agree with the Committee that temporary latrines would not be sanitary. For the reasons given by Mr. Ritchie, however, in paragraph 9 of his minutes of dissent, there may be practical difficulties in the way of giving effect to this proposal in existing steamers; and the Government of India will await the views of Local Governments before coming finally to a conclusion. With regard to the Committee's recommendation in favour of the entertainment of a special staff of sweepers, the Government of India are inclined to agree with Mr. Ritchie that it would be preferable to arrange the scale on the number of latrine seats and not on the number of passengers carried. They consider that one sweeper should be employed for every twelve seats. The question of

fresh water supply is dealt with in paragraph 43 of the Report. The objections raised by the expert members of the Committee to the suggestion in paragraph 44 A (XIII) of the Report seem to the Government of India to deserve special consideration, but possibly arrangements could be made for an increase in the number of taps in the upper deck.

15. The Government of India consider that the recommendations in Chapter VI of the Report should be accepted. As regards Chapter VII, I am to invite special attention to paragraph 47. The Committee recommend that a medical officer should be carried if the scheduled duration of a voyage between terminal points is more than 72 hours, and if the number of passengers is 150 or over. The Government of India do not know what practical result of a rule of this kind would be, but they doubt whether the rule as it stands can logically be defended. Section 209 of the English Merchant Shipping Act, 1894, merely prescribes that every foreign-going ship having one hundred persons or upwards on board as part of her complements a duly qualified medical practitioner, and the Government of India doubt whether the criterion for the inclusion of a medical officer in the complement of a vessel can reasonably be the scheduled duration of the voyage between terminal ports. During the voyage the vessel may touch frequently at intermediate ports, and if so, it would be unreasonable to require the presence on board of a medical officer. As at present advised, the Government of India would prefer to amend section 26 of the Native Passenger Ships Act so as to provide.—

(1) that any foreign-going ship (as defined in section 118 of Act 1 of 1859), or

(2) any ship performing a 'long' voyage (as the Committee propose to define a 'long' voyage)

should, if they have 150 passengers or upwards on board, be required to carry a medical officer. The qualifications of the medical officer might perhaps be prescribed on the lines of Rule 80 (3) of the rules issued under the Pilgrim Ships Act, namely, the possession either of a medical qualification registered in a Medical Register in the

United Kingdom, or the Degree or License of one of the following Universities, *viz*, Calcutta, Bombay Madras, Punjab and Allahabad, or the qualification of a Military Assistant Surgeon. If these suggestions are accepted, the Government of India see no objection to the recommendations in paragraph 48 regarding hospital accommodation.

16. In paragraphs 57—61 of the Report, the Committee draw attention to a certain laxity in the administration of the Act, and propose that while the working of the Act should remain with the Provincial Marine authorities, a Central Inspecting Authority consisting of two Inspectors should be appointed to work directly under the Government of India. The duties proposed for these Inspectors are defined in paragraph 68-A. (XIV) of the Report, and it is further suggested that the cost of administering the Act more effectively should be met by an enhancement of the fees for A certificates and by the levy of a fee of Rs. 5 for B certificates. The Government of India agree that the administration of the Act should be made effective, but they are not prepared to commit themselves to the precise proposals made in this behalf by the Committee until they are in the possession of the views of Local Governments.

17. The Government of India do not think it necessary at this stage to comment on the other recommendations in the Report. Some of these recommendations are for the consideration of Local Governments, and others for the consideration of the Shiping companies which will doubtless be supplied with copies of the Report. It may be taken that the Government of India are prepared, provisionally, to accept any recommendations which require their orders or an amendment of the Act and which they have not referred to specifically in this letter. I am, therefore, to request that their special attention may be drawn to any such recommendations to which the Government of Bombay etc think it necessary to take exception.

18. The Government of India are aware that this Report raises many difficult questions, and that it will be necessary to consult steamship companies and public bodies on these questions. But I am to request that a special effort may be made to furnish the Govern-

ment of India with the views of the Government of Bombay etc on the points raised in this letter and on the Report generally before the 1st March 1922.

I have etc.

H. A. F. LINDSAY,

Secretary to the Government of India.

1st May 1922.

T. 370.

To,

The Deputy Secretary to the Government of Bombay

General Department,

BOMBAY.

Sir,

With reference to your letter No. 1380 dated the 18th January 1922, I am directed by my Committee to send their views hereby with regard to the Government of India's letter of the 4th November 1921, No. 6372.

2. My Committee generally agree with the Report of the majority and with the recommendation in the dissenting minute of Mr Kamat on page 63 of the Report of the Deck Passenger Committee so far as 10' is concerned.

3. My Committee are of opinion that the definition of a short voyage should be that during which the ship performing it should not in ordinary circumstances be more than 48 hours continually out of port. They do not, however, for the present moment, wish to press this point and will be satisfied with the definition proposed to be fixed by the Report that 72 hours should be substituted for 120 hours in the existing definition of the long voyage.

4. My Committee think alleys, gangways, and spaces near the railings should not be measured as Passenger space. Moreover gangways should be provided to prevent rush and tumbling at the time of embarking and disembarking. It is also quite essential

that steam launches should be provided to tow the "Padavas" and barges to the shore when Passengers have to embark and disembark in the stream. With regard to platforms my Committee would particularly invite the attention of the Government to the remarks made by the Deck Passenger Committee on page 31 of their Report:—

> "In particular we think that in the Bombay trade especially on the runs north of Bombay, the provision of platforms in the between dock would materially relieve the present luggage difficulty. We recommend, therefore, that no between or lower-between deck should be measured for passengers unless it is fitted with these "platforms."

5. My Committee agree with the suggestion of Mr. Kamat that the space minimum for each passenger should be fixed at 10'. They are aware of the objection that is urged whenever changes involving additional facilities to passengers are proposed that the same will entail an increase in rates. They appreciate the remarks made by the Government in their letter in this connection where they say that "It is undesirable that the increase in the space allowances should be made the pretext for material increase in fares". There is no reason why whenever any additional and necessary facilities are proposed to be given to passengers, steamship companies should start the redherring of increase in rates and fares. As a matter of fact the change proposed here will not mean any substantial financial loss to the shipping companies concerned. It will be seen from Statement-B given on page 59 of the Report that the total number of times when a full complement of passengers is carried by a steamer is significantly small in proportion to the total number of voyages. Thus with regard to Goa line the total number of voyages of all the steamers running on this line was 330 out of which there were only 14 voyages when a full complement of passengers was carried *i. e.* about 4·25%.

It means, therefore, that if space allowance for passengers is increased shipping companies will not be required to forego any serious financial advantage. It is also argued that the standard of

necessities given to passengers on steamships should not be higher than that which they are accustomed to at their homes. My Committee regard such an argument as both misleading and unfair and they fear that it is this argument which has been at the back of many of the inconveniences to deck passengers being continued despite several protests. Passengers must get all the comforts and conveniences for which they are made to pay, reasonable fares being fixed after due consideration, by Government, the companies concerned and the general public.

6. The Government may be interested to know that there exist great vagaries in increases in rates on different shipping lines. Thus on the Rangoon-Madras and the Rangoon-Calcutta lines there has been an increase effected of 30 per cent during the last 30 years whereas in the Western India runs there has been an increase of more than 150 per cent in 12 years which obviously warrants closer examination.

7. My Committee are in favour, for the next few years, of minimum fares being fixed by the Government as this is the only safeguard against a rate war to which big companies resort to kill competition of newer and smaller companies and then raise fares. As matters stand at present there is practically very little chance for new Indian companies to make headway against the competition of old established concerns which can cut down their rates to nominal figures, being in a position to suffer financial losses for a certain time.

8, My Committee agree with the conclusions of the Government in para 11 of their letter as also with regard to para 14. They, however, cannot agree with para 13 of the letter of the Government re: luggage as they believe that the suggestions made in this para if carried out will put the passengers to a great deal of inconveniences and harrassment. The Government cannot be unaware of the different ways in which third class passengers are harrassed by employees of steamship companies mainly for the purpose of getting some small *Bukshish* from them. My Committee fear that the suggestion in para 13 will tend to increase this evil.

9. With regard to para 15 of the letter of the Government my Committee are of opinion that a ship carrying 150 passengers should carry a Medical man qualified in 'First Aid' if the voyage is short, and a qualified Medical Officer if the voyage is long. This rule need not apply to the Bombay Harbour service.

10. With regard to the views expressed by the Government of India in para 16 of their letter my Committee suggest that atleast one if not both of the two inspectors must be Indian.

11. My Committee approve of the suggestion that a passenger inspector should be required on every steamer licensed to carry 150 and more as the maximum. They strongly protest, however, against the suggestion made by Mr. Ritchie that the ticket collector or purser should be employed in this capacity. My Committee believe that neither the ticket collector nor the purser will be suitable for such a post which requires a man totally independent of the owners of the ships for obvious reasons.

12. My Committee think that the steamship companies should be required to issue inclusive tickets, that is land to land tickets, as otherwise under the present circumstances passengers are put to very great inconveniences and harrassment at the time of embarkation and disembarkation. Thus at several Kathiawar Ports coolies refuse to handle the luggage of passengers unless they are paid extraordinary amounts. My Committee understand that a notice is posted up to the effect that coolies should not be paid anything but in actual practice if passengers refuse to pay coolies do not handle the luggage at all and passengers are unable to land and run the risk of being overcarried. This is not at all an unusual occurance. The above remarks apply to lighters or barges also wherever ships do not touch a wharf or key.

I beg etc.

J. K. MEHTA,
Secretary.

APPENDIX No. 29.

Treatment of Mahatma Gandhi in Jail.

T. 368.

1st May 1922.

To,

The Secretary to the Government of Bombay,
Home Department, Secretariat, Fort,
BOMBAY.

Sir,

Regarding Mahatma Gandhi's treatment in gaol and Government's Statement as per the Director of Information's communiques my Committee wish earnestly to urge Government not to add to the unpopularity of their existing measures regarding the Mahatma's arrest and imprisonment by any treatment of him different from what would be available in any civilized country of the world to a political prisoner. My Committee feel that the saintly character, the personality and the eminent position of Mahatma Gandhi in this country entitle him in gaol to most considerate treatment by the Government.

I beg etc.,
J. K. MEHTA,
Secretary.

No. 78-4767.

HOME DEPARTMENT.

Bombay, 8th May 1922.

Sir,

I have the honour to acknowledge the receipt of your letter, dated 1st May 1922, and to state that it is receiving attention.

I have, etc.

(Sd.) ILLEGIBLE.

Asstt. Secretary to Government.

APPENDIX 30.

Railway Risk Notes.

Government of India.

RAILWAY DEPARTMENT.

(Railway Board).

No. 505-T/21.

Simla, Dated the 15th April 1922.

Dear Sir

I am directed to address you with reference to the following Resolution which was adopted by the Legislative Assembly on the 9th March 1922 :—

> " This Assembly recommends to the Governor General in Council to appoint a Committee of officials and non-officials with a majority of Indian non-officials to consider the revision of Railway Risk Notes. "

2. In pursuance of the terms of this Resolution the Government of India have appointed a Committee consisting of the gentlemen named below, who will consider the question of the revision of Railway Risk Notes and submit a report in due course :—

1. Mr. T. V. Sheshagiri Ayyar, M.L.A., Chairman.
2. Rao Bahadur C. S. Subrahmanyam, M.L.A.
3. Mr. Manmohandas Ramji, M.L.A.
4. Mr. A. M. Clark, Member, Railway Board.
5. C. V. Bliss, C.I.E., Secretary, Indian Railway Conference Association.

3. As a preliminary to their deliberations the Committee have decided to invite the opinion of Local Governments and administrations, Railways, and Chambers of Commerce and other public bodies who may be interested in this qestion on the form, construction and application in practice of the Risk Notes in use at present, and I am to ask that the Committee may be favoured with the views of your Association on the subject of their terms of reference.

4. I am to say that while it is the intention of the Committee to review all the existing forms of Railway Risk Notes representations which have been received by the Government of India from time to time in connection with this matter have been concerned principally with the following points, and I am to request that these points may receive your special consideration :—

(*i*) Whether the principle of throwing the onus of proof on the consignor in a claim for compensation arising out of the loss of goods entrusted to a Railway Administration for carriage requires modification. This refers specially to the terms of Risk Note forms B. and H.

(*ii*) Whether the words loss, destruction or deterioration used in the Risk Note forms should be altered or added to or defined in such a manner as to secure for the consignor the right to compensation (for the loss of the whole or part of the consignment) for the above arising from the wilful neglect or criminal acts of the servants of the Railway Administration.

5. I am to add that the Committee propose to meet in Simla during the first week of June, and to request that observations or suggestions on the subject of this letter may be addressed to the Secretary, Railway Board, so as to reach him not later than the 31st May 1922.

I have etc.
(Sd.) ILLEGIBLE.
Assistant Secretary, Railway Board.

T 505.

2nd June, 1922.

To,

The Assistant Secretary, Railway Board,
SIMLA.

Sir,

I am directed to acknowledge the receipt of your letter dated the 17th April 1922 No. 505/T/21, and in reply to send the following views of my committee on the subject referred to.

2. My Committee fear that the whole trouble with regard to "Railway Risk" notes and the many inconveniences and harassments merchants have to suffer therefrom, besides the bitterness aroused between Railway Administration and the mercantile community are in no small measure due to the existing differentiation between the two rates for the carrying of goods viz, "the Owners risk" rate and the "Railway Risk" rate. "The Owner's Risk" rate being much lower than "The Railway Risk" rate, consignors are naturally tempted to book their goods at the lower rate, and the Railway Companies on their part also are extremely reluctant to accept consignments at their risk. The result is, paradoxical as it may appear, that both the consignors and Railway Companies prefer the "Owner's risk" rate, the Companies in order to safeguard their own interests, getting the consignors to exempt them from liability under certain circumstances.

3. The responsibility of Railways as public carriers is at present limited first by the Indian Contract Act in India and then by the Indian Railway Act IX of 1890. Under the Indian Contract Act the Railway is bound to take as much care of the goods entrusted to its charge as a man of ordinary prudence would take of his own goods, but this liability is further limited by the Railway Act, section 72 wherein it is provided that by an agreement on form approved by the Governor-General in-Council the Railway Company can reduce its responsibility under the Act.

4. The consignors are made to sign "Risk Note" forms for one reason or the other, and the practical exemption from all liability that the Railway companies enjoy leads to extremely undesirable results like the following ;—

(*a*) Grave inducement to the railway staff to be dishonest.

(*b*) Heavy losses to consignors.

(*c*) Litigation between Railway Companies and consignors.

(*d*) Waste of public money through the staff and forwarding agents colluding as is often alleged in committing frauds on the Railway company in the matter of claims.

(*e*) Utter indifference of the Railway authorities to the grievances of the mercantile community.

5. The real remedy therefore lies, my committee feel, in having one rate only viz. the 'Railway Risk' rate, in fixing it at the present level of the 'Owner's risk' rate; and in eliminating defects in the 'Railway risk' note forms, which have made them such a hardship to the mercantile community and which have been so prolific of all kinds of theft and dishonsty. The 'Railway risk' rate has been recently enhanced and my committee fail to see any reason why the Companies should not accept consignments at this enhanced rate at *their* risk.

6. It is, my Committee submit, pertinent to enquire in this connection as to (a) What the amount of claim was in respect of consignments under Owner's risk (*b*) What was the amount of claims entertained and paid by the Railway Companies in such cases (*c*) What was the total amount of claims with regard to consignments under 'Railway Risk' (*d*) What was the amount of claims entertained and paid by the Railway companies in such cases during the last quinquennium. Such an enquiry will, my Committee think, throw considerable light on the whole question.

7. My Committee are unable also to understand why such a large number of thefts and pilferages should at all be possible in consignments assigned for carriage to Railway companies, looking to such preventive appliances as the existence of yards with railings, railway police, and a big staff etc., Nor can my committee appreciate any reasons for the Railway Companies fixing the 'Railway Risk' rate at a much higher figure than 'Owner's risk' considering that no extra precautions are taken by them for such consignments and no extra cost, therefore, incurred by them in their carriage.

8. My Committee believe that if their suggestion is carried out pilferage and thefts will almost disappear, for the present carelessness and indifference of the Railway Administrations and the consequent dishonesty of their staff will be very largely removed. In short it may be emphasized that if your Committee are really desirous of removing

the grievances of the mercantile community nothing short of the remedy suggested here will suffice or prove effective.

9, With regard to the defective packing my Committee beg to suggest that the Railway Companies should be authorized to refuse to book consignments defectively packed, unless the consignor remedies such defects or signs a risk note absolving companies from liability for damage etc. on the ground of such packing. It may be mentioned that in Germany as far as my Committee are aware the double rate does not exist and the German Railways do take the risk in regard to loss, diminution in bulk, or damage to consignments while under their charge. They have, however, safeguarded themselves from liability in the case of defective packing of several types. If the double rate is dispensed with in this country and a single railway risk rate substituted in its place the interests of Railway companies could be similarly safeguarded. Care must be taken, however, to see that the evils of the existing Railway Risk notes are not perpetuated in the future. My Committee beg to suggest accordingly several changes in the existing risk notes in order that the new risk notes whatever may be their form might be free from those extremely onerous, harmful and injurious defects.

10. Railway Risk note form A:,

This form is used when articles are tendered for carriage which are either already in a bad condition or are so defectively packed as to be liable to leakage, wastage, or damage in transit. The concluding lines of this form are, "harmless and free from all responsibility for the condition in which the aforesaid goods may be delivered to the consignee at destination and for any loss arising from the same!" These words are ambiguous and render the railway companies free from their responsibility even in the case of an empty tare being delivered to the consignee after all its contents have been lost, or removed. This ambiguity must be removed and my Committee are of opinion that the following change must be made in the words of the concluding sentence. The words "for the condition in which the aforesaid goods may be delivered to the consignee at destination" should be deleted altogether and the words "aforesaid condition"

should be substituted for the last word "same".

11. Risk Note form C :—

This form is used when at sender's request open wagons, carts, or boats are used for the conveyance of goods liable to damage when so carried and which under other circumstances would be carried in covered wagons, carts, or boats. The wording of this form is also ambiguous and is responsible for the conflicting constructions placed upon it by the various courts. Some courts have expressed their opinion that the Railway companies are not responsible even though they may not have covered wagons with tarpaulins while others have expressed a contrary opinion. The remedy for this lies, my committee would suggest in adding the following words at the end of the form "provided the railway companies prove that they have taken as much care of the goods as a bailee is required to do under the Indian Contract Act."

12. Risk Note Form B :—

The wording of the B Form is also extremely ambiguous and has been taken advantage of by the Railway Companies to evade the responsibility in respect of claims made against them for loss to the consignment. Without prejudice to the main recommendation of my Committee made in paragraph 5 regarding the abolition of the double rate they beg to suggest the following changes in the existing risk notes form B should the Railway companies choose to offer special reduced rates in certain cases.

(*a*) The words "due either to the wilful neglect of the Railway Administration or to thefts by or the wilful neglect of its servants, transport agents, carriers employed by them before, during and after transit over the said railway or other railway lines working in connection therewith by any other transport agency or agencies employed by them respectively for the carriage of the whole or any part of the said consignment should be inserted after the words "from any cause whatever." Such a change will enable the liability to be fixed upon the Railway company for the loss of a complete consignment or

of one or more complete packages which it is impossible to do now. As matters stand at present the railway companies are not held responsible for such loss unless the wilful neglect or theft of their servant, is proved by the consignor. Even uptil recently a Railway company had simply to admit loss to be free from all responsibility. In this connection my committee would like to invite the attention of your Committee to a recent judgment delivered by the Bombay High Court in the case of the Central India Spinning Weaving and Manufacturing Company against the G.I.P. Railway Company. During the Course of the judgment in the case referred to above the learned judge remarked "Whatever the terms of the Risk note, whatever the nature of the booking whether at the owner's risk or otherwise it is incumbent upon the carrier companies *probonopublico* to offer some explanation of the loss and duly to assist the aggrieved party.

(*b*) The word "after" occuring in the phrase "before during and after transit" should be deleted as the Railway Companies cannot surely urge any exemption from liability after the goods have arrived at their destination.

(*c*) The words "Robbery from a running train" should be defined much more exactly as it had been found that the Railway companies resort to this excuse even in the case of thefts.

(*d*) With regard to the exception of fire it will be found from a copy of the statement of some respectable merchants attached herewith that the Railway companies show extreme carelessness and indifference with regard to consignments which may have caught fire. In order to prevent this it should be made clear that exemption from liability will only be given to them if they prove that they took all possible care to rescue the goods from the fire.

13. A similar change as mentioned above should be made in the Risk Note form H.

14. Amendment of section 140 of the Railway Act :—

Under this section the words "Railway Administration" are not very clearly defined. The amendment must be to the effect that a notice addressed by a merchant to any responsible officer of the railway must be deemed to be sufficient notice, under section 140 of the Act. Merchants are often driven from pillar to post in addressing complaints to the Railway officials and it does not infrequently happen that their suit is dismissed in a court of law on the technical ground shat they did not address the proper official. Such a state of things should be remedied at once, and my committee suggest that besides the Agent of the Railway Campany, the General Traffic Manager, the Deputy Traffic Manager, the Traffic Superintendent and the Goods Superintendent, and such other responsible officers must be considered as officers to whom marchants can address their notice for compensation or for claims, so as to render a notice so addressed valid and in conformity with the requirements that it must be addressed to the Railway Administration."

I beg etc.
J. K. MEHTA
Secretary.

Copy from the Bombay, "Chronicle" Saturday, June 25th 1921.

A Railway Scandal.

On the evening of the 15th instant a wagon full of cotton bales was found to be on fire and was, it seems, shunted to near a water hydrant at Matunga Station. The fire was put out in about 20 minutes by the two engines from the workshops and they were withdrawn, and the bales taken out. They were smouldering then, and in that condition they remained till the evening of the 17th instant (about 45 hours) when the remainder valued at about Rs. 1,000 or 1,500 was taken away by the workmen of Matunga workshop in the presence and with the knowledge of the staff at Matunga. Myself and others have marked about 15 bales or more having been allowed to burn to ashes, not to speak of the loose cotton after the fire was put out.

A question arises as to why these bales are allowed to smoulder without any attempt being made to put the fire compeletely out or to guard it. Either the Railway Company is immune from responsibility under Risk Notes B. & H. or it is not. If it holds a risk note, it is atleast incumbent on the Railway Company to take such care of the goods as a man of ordinary prudence would take. Even that care the Company refuses to take, because it feels immune from liability owing to the entirely favourable wording of the Risk notes forms B. & H. under which all culpable negligence of the Railway employess can be hashed up. Ought the Railway Companies in India to have such immunity from liability for their negligence.

If no risk note is held (which is very rarely) and the Railway Company is responsible for the said damages, the extra loss that is being caused hour after hour, show how thousands of rupees are being wasted by the Railway Company.

When even small facilities are asked for, want of funds is always pleaded; but strange to say the Company cares not for thousands lost through their men's negligence, as in the present case.

Similar case was of another cotton wagon at Dadar, and there all goods worth thousands would have been easily saved but who cares?

I shall give some instances where small facilities were asked for and are being asked, as also the ways in which thousands are lost by the Railway Companies through negligence which though can be easily checked but not done so, in another article.

Such Risk notes and things can only be allowed to exist under British Rule and in British India.

The owner of the goods would do well in communicating with me,

Yours etc.,

RAMJI BHARMAL.

APPENDIX 31.

Chamber's representation to the Government of India, Department of Commerce, re: Indian Railways.

11, BANK STREET, FORT:

Bombay, 27th April 1922.

To

The Secretary to the Government of India,

Department of Commerce,

SIMLA.

Sir,

I am directed by the Committee of the Indian Merchants' Chamber and Bureau to communicate to you their following views regarding the Indian Railway Committee's Report and the action taken on it by the Government of India till now.

2. The Railways of India are the Indian taxpayers' most important asset. They play an equally important part in the commercial, industrial and military activities of the country. Any indifference to or oversight in the correct handling of the railway system of India is, as it were, never excused by the natural order of things. It exacts its full penalty with almost a vengeance in the shape of handicapping the marketting of the agricultural crops and the industrial manufactures of the country. In paragraph 25 of their Report the Railway Committee unanimously say "The evidence given before us in all parts of the country and on behalf of all sections of the community was overwhelmingly strong as to the urgent need of drastic measures of reform and reconstruction of the entire railway machine."

3. Such being the condition of the Railways of India, the Committee of this Chamber were naturally gratified when the appointment of a Railway Committee was announced. It may be

noted that since the starting of Railways in India there were two Parliamentary Committees before the year 1900 and other casual one-man enquiries since then in connection with various phases of the problems of Indian railways. But the Parliamentary Committees not only included no Indian but did not even think it necessary to examine any Indian witnesses. The Robertson and Mackay inquiries belonged to the class of casual inquiries and had no Indians associated with them. As far as my Committee are aware even the evidence taken by Mr. Robertson and Sir James Mackay is not available to the public to enable them to judge how many and what Indian witnesses were examined by them. It is for this reason that my Committee noted with some satisfaction the appointment of the Indian Railway Committee of 1920—21 with 3 Indians on it out of 10 members in all. The selection of the three expert Britishers on this Committee, Englishmen specially appointed from London with open minds and broad outlook, has been fully vindicated by the independent judgment they have brought to bear on the Report and the views of Sir William Acworth, the veteran and acknowledged authority on railway matters of unique and worldwide experience in the railway world, will always command the respect and admiration due to them.

4, The Indian Railway Committee was appointed on 1st November 1920. It held preliminary meetings in London before the English members came out to India. It travelled all over India (excepting Burma) and the full Committee met in London again in May 1921 to take further or fresh evidence. It submitted its report to the Secretary of State towards the end of August 1921.

5. The report of the Committee was published about the middle of September 1921, *i. e.*, within a fortnight of the same being received by the Secretary of State and within 11 months from the date of appointment of the Committee. Such prompt work of the said Committee encouraged the Indian public to believe that at least in Railway matters the usual fate of reports of Committees or Commissions relating to Indian matters was to be avoided, and, for once, red-tape,

and official slow pace looked like being displaced by prompt business-like action.

6. During the debate on the resolution moved by Mr. B. S. Kamat regarding reports of Commissions and Committees at the Delhi session of the Legislative Assembly (Thursday, the 24th February 1921), the Government of India gave an undertaking that, as far as practicable, steps would be taken to ensure that no action administrative or legislative was taken on reports of Commissions or Committees appointed by the Secretary of State for India or the Government of India until an opportunity had been given to the Indian Legislature to express its opinion thereon. The whole country naturally expected, therefore, that the Railway Committee's report would be discussed by the Assembly early this year and the Government, or the Secretary of State in this case, would thereafter pass orders on the subject-matters referred to in the Railway Committee's Report. This, however, has not been done till now. Instead, the Government of India (the Hon'ble Member in charge of the Commerce and Industries Department) moved in the Legislative Assembly on 30th September 1921. "That this Assembly recommends to the Governor General in Council to appoint a Committee consisting of Members of the Indian Legislature to consider the following matters arising from the Report of the Railway Committee, viz.,

(1) The separation of Railway from the general finance,

(2) The requirements of railways in regard to capital expenditure during the next 10 years and to make recommendations."

This Committee consisting of Members of the two Houses has submitted a report recommending the expenditure of Rs. 150 crores in 5 annual equal instalments for Indian Railways. The question of a separate Budget for railways, so ably dealt with in the Railway Committee's Report, (paras. 74 to 86) and unanimously recommended by the Committee may be said to have been, at best, shelved. In para. 75 of their Report the Indian Railway Committee say "We have expressed our own view that the only payment by the Railways to the general Exchequer should be the interest at a fixed

rate on the capital advanced. But we desire to point out that this is necessarily involved in the separation of the railway budget." And, yet, the Railway Finance Committee appointed by Government and presided over by the Hon'ble the Finance Member and with the Hon'ble the Commerce Member and the Chairman of the Railway Board on it have unanimously shelved the question for some time to come. This was, my Committee believe, done mainly on the ground that the Railway surplus was badly needed to help the revenues of the country. My Committee submit that the question of utilisation of the surplus has really nothing to do with the way accounts are kept and that Government could have still separated the Budget as recommended by the Railway Committee and at the same time ruled that until the finances of the country were in a stronger position all the Railway surplus be credited to the general revenues of the country.

7. Since the decision referred to above was arrived at, the Delhi session of the two Houses commenced and my Committee were disappointed that Government had not the discussion of the Railway Committee's Report on the agenda at all. This disappointment was further increased when at the Hon'ble Commerce Member's interview with my Committee in Bombay on the 7th inst, my Committee learnt that whilst accepting the resolution of the Assembly referred to in para. 6 above the Government did not agree to an actual discussion on the floor of the House before they took action on a Committee's report. The Hon'ble Member further said that in the Government of India's opinion if any members of the Assembly wished to express any views on the Railway Committee's report they should have moved resolutions to that end. My Committee are surprised at interpretation of the undertaking given by Government to the Assembly and have little doubt that the majority of the Legislature would be similarly surprised. I need hardly add that my Committee think this interpretation to be wrong so far as both the spirit and the letter of the undertaking go and wonder how it would work out in actual practice if Members of the Legislature had no other recourse but to move resolutions on all subjects dealt with in a Committee or Commission's report. It is hoped that the Government of India

themselves will see the impracticability of such a procedure and will themselves bring forward the question for discussion by the legislature.

8. At the last session of the Legislature the Government took another step against the unanimous recommendation of the Railway Committee's report. The subject of Advisory Boards for Railway matters is discussed in paras. 139 to 143 of the report under the head "Closer touch with public opinion needed." Para. 141 gives the suggested constitution of the Central Board in detail. The Government of India appear to have rejected these and whatever their reasons for this rejection may be, my Committee trust that the selection of the Central Board by nomination will not be continued. My Committee have no hesitation in saying that the constitution as recommended by the Railway Committee is sound and should be adopted by Government as early as possible.

9. My Committee cannot help regretting that in the two decisions that the Government have arrived at since publication of the Railway Committee's report they have gone against the unanimous recommendations of the report. The procedure of dealing piecemeal with such an important report on such a vital asset of the country is not one that this Chamber can regard with equanimity, for it lends itself to the suspicion that the main subject referred to by the Railway Committee (viz., Company management versus State management for Indian railways) on which the Committee is divided may likewise be disposed of by Government by summary and arbitrary action.

10. My Committee however share no such fear. They are convinced after a careful consideration of the majority and minority reports on this, the only subject of difference in the Railway Committee that no scheme for Company management (in the real and commercial sense of the word) of Indian Railways is feasible. Sir William Acworth's several works on railways throughout the world are standard works so far as that subject goes. That the author of these books should have thought it necessary to declare (in the majority report) that no other scheme except State management is practicable in India (para. 227) is a conclusion which should disarm any opposition to it. Then, again, it is to be borne in mind that of the 5 members who have

signed the minority report, there are three who may be said to have grown up under the long tradition of the socalled company management of Indian railways or the dual system. On the other hand, the three experts brought out from England specially to focus on the railway problem an impartial, mature and expert judgment are persons who, besides their eminence in their own special lines, may at the least be acknowledged to be free from any bias for or against the existing Indian Railway administration. For these reasons my Committee trust, and, have confidence, that the Legislature and the country will not stand anything, but the acceptance by the Government of the majority report, a report that is in full keeping with the demands of the Indian public and Indian interests. As, however, this subject has to be decided before 1924 (the year when the E. I. Ry. contract expires) my Committee expect Government to take action on this before long. In the meantime it is expected that the two Houses will have opportunities to discuss this important issue before Government make up their minds.

11. My Committee do not overlook the fact that at its Calcutta meeting the Railway Finance Committee recommended the Legislature in December last to raise Rs. 30 crores a year for 5 years for Railways. That more capital is needed to be spent on Indian Railways is not disputed. The Railway Committee's report bears several details of the great incalculable loss to the country by starvation of Indian railways for funds. My Committee also agree that large amounts have to be spent to maintain the railways of India on a decent standard of efficiency and to improve on the same. The Railway Committee (majority report) say that "to the Government Departments concerned, as at present constituted and administered, we should hesitate to entrust any new responsibilities, in respect either of State or company managed railways" (para. 228) My Committee therefore are strongly of opinion that it is the first business of the Government of India to alter the constitution of the existing Railway Board and substitute therefor a body of officials in terms of the unanimous recommendation of the Railway Committee as made by them in para. 111 of the Report. My Committee would therefore hesitate to entrust the spending of so large an

amount as Rs. 30 crores a year to the Railway Board as at present constituted.

12. The purchase of stores and machinery by the various Company Railways as well as by the High Commissioner for India in London is a subject on which my Committee's views have been submitted to the Government of India and His Excellency the Viceroy ere now in no ambiguous terms, and they once more repeat that the country has a right to expect that in the interests of the Indian taxpayers their purchases will be made in the cheapest market.

13. It remains for my Committee to mention the direction in which they think that the Railway Committee's recommendations and remarks need the most urgent attention of Government :—

(*a*) The employment of Indians in superior posts. Paras. 182-3 deal with this. Appendix No. 2 showing an average of 10% Indian officers on the State and company managed Railways jointly, the State managed railways showing 14·60 % after the railway system having been in India for 70 years and more, cannot possibly satisfy the Indian public, when it is borne in mind that "it is with money secured on Indian taxation that the Indian railways have been almost entirely built." This grievance of the Indian public becomes more bitter though justified. "With so natural a grievance we fully sympathise" say the Railway Committee unanimously. They further observe "We think the Government of India might consider the propriety of establishing a minimum percentage of Indians to be reached within a fixed period. The minimum would have to be higher or else the period shorter in the Traffic than in the Engineering or Locomotive Departments." My Committee would be glad to know when the Government propose to move in this direction.

(*b*) Third class passengers. Paras. 167-72 deal with this. So much has been said and written about the discomforts of and injustice to this class of passengers before now that my Committee think it unnecessary to say more on this subject here. With the

latest increase in fares the claim of this client of Indian railways is stronger than ever.

"We may quote the following sentence from the letter dated 27th September 1916, from the Sanitary Commissioner to the Government of India, submitting the reports of the Pilgrim Committees :—

> "The Government of India can hardly be aware of the amount of ill-feeling and ill-will towards themselves that these two conditions, (viz. (1), overcrowding of ordinary trains and pilgrim specials, and (2) the use of goods wagons to carry pilgrims engender."

This remark of the Sanitary Commissioner holds as good to-day as it did in the year 1916.

(c) Appointment of Rates Tribunal, para. 156.

(d) Owners' risknotes, para 162.—My Committee have only recently received a communication from the Government regarding this.

(e) Local Advisory Councils—Para. 142 of the report deals with this and leaves no question as to the unanimous desirability and utility of these. All the Railway officials examined by the Railway Committee approved of this. My Committee are not aware of the steps Government have taken in this direction but expect these councils to be working before long.

(f) Block rates.—Para. 152 of the report deals with this and in para. 153, the Railway Committee do justify the unredressed grievance of the public of Broach in connection with the injustice to them by the B. B. & C. I. Ry, Company about the year 1908–9. It is very necessary that the Government of India devise some speedy machinery to go into the question of block-rates and my Committee expect that adjustment can be made without entailing any loss of revenue.

(g) Water-ways and competition of same with Railways.—Para. 155 of the Committee's report deals with this and the inquiry recommended by the Railway Committee towards the end of this para. is urgently needed. When the cost of railway materials is so high and the capital outlay required so big, it would surely be most businesslike to open up or to improve alternative trade routes, especially water-ways, when shipping is so depressed, and, generally speaking, laid up for want of too much supply.

14. My Committee feel that the gravity of the subject and the magnitude of the sums of money that have been sanctioned by the Government of India on Railways are sufficient apology for the length of this representation to them and they trust it would receive their full consideration.

I beg etc,

J. K. MEHTA,

Secretary.

Government of India.

RAILWAY DEPARTMENT.

No. 800-F

Simla, Dated the 12th of June 1922.

To,

The Secretary, Indian Merchants' Chamber and Bureau;

BOMBAY.

Dear Sir,

I am directed to acknowledge the receipt of your letter dated 27th April 1922 addressed to the Secretary to the Government of India, Department of Commerce, and to say that the points raised therein are receiving attention.

Yours faithfully,

ILLEGIBLE,

Offg. Joint Secretary, Railway Board.

APPENDIX 32.

Chamber's representation on the Bombay Port Trust.

T. 89.

16th Feb. 1922.

To,

The Secretary to the Government of Bombay,
Marine Department, Secretariat, Fort,
BOMBAY.

Sir,

I am directed to draw the attention of the Government of Bombay to my letter to them dated 25th February 1921, to which your reply No. 483 of the 16th March 1921 was received. I replied to the letter by my letter dated the 12th April 1921 since when no further communication has been received from you in connection with the subject matter referred to in that correspondence.

My Committee understand that the three nominations of Indians by Government will have to be made again from 1st April next. I beg to draw your attention to para 7 of my letter to the Chief Secretary to the Government of Bombay dated 25th February 1921 in which I said as under: "While urging Government to take early steps to introduce necessary legislation to increase our representation to 3 Members my Committee recognise that this process will probably take some time. My Committee would, therefore, solicit such action as is possible in the meanwhile and as is within the powers of the Government to secure some arrangement for the time being."

My Committee are aware that of the three nominations of Indian Members, 2 nominations are to be of Indian Members elected by the Bombay Municipal Corporation. They beg to request that the Government of Bombay will be pleased to make the third nomination of such a person as may be elected by the Indian Merchants' Chamber and Bureau according to the same arrangement with the Bombay Municipal Corporation. My Committee trust that the Government of Bombay will take very early steps to comply with the wishes of my Committee as submitted in the correspondence ending

with my letter to you dated 12th April 1921, but in the meantime they suggest this procedure as being within the powers of the Government to secure partial representation of the Chamber on the Port Trust at once. I am instructed to request your reply as to :—

(1) When the necessary Bill embodying changes as per this office letter No. T-555 dated 25th Feb. 21 will be introduced in the Local Council.

(2) If the Government of Bombay are prepared to accept the further suggestion made in this letter.

My Committee feel that they need not write at any length in justification of this suggestion of theirs and they trust that this temporary arrangement will meet with the approval of the Government of Bombay.

I beg etc.
S. M. MUZUMDAR,
Ag. Secretary.

No. 290 M.

Marine Department, Secretariat, Fort, Bombay,
Dated the 5th April 1922.

To

The Secretary, The Indian Merchants' Chamber & Bureau,
BOMBAY.

Subject:—Re-constitution of the Board of Trustees of the Port of Bombay.

Sir,

With reference to your letter No. T. 89, dated the 16th February 1922, on the subject noted above, I am directed by the Governor in Council to inform you that the question of the constitution of the Port Trust is under the consideration of Government and that early decision is expected to be arrived at.

I have etc.,
ILLEGIBLE
for Deputy Secretary to the Government of Bombay,
Marine Department.

No. T.-375.

2nd May 1922

To,

The Deputy Secretary to the Government of Bombay,
Marine Department, Secretariat, Fort,
BOMBAY.

Sir,

I am directed to acknowledge receipt of your letter No. 290'M dated the 5th April 1922. My Committee note that early action is expected with regard to the different representations of my Committee regarding the constitution of the Bombay Port Trust. They would, however, welcome a more accurate statement of the period during which such action may be expected. My Committee's first representation to Government in this connection was made in February 1921 and I am directed by my Committee to inquire how much longer the Government of Bombay are likely to take before they move to remedy what must by now be regarded as nothing less than a piece of injustice to this Chamber and to the Indian commercial community of Bombay.

2. My Committee were encouraged to suggest the step named in para 3 of my letter of 16-2-22 in the hope that H. E. the Governor in council would be willing to resort to any arrangement in his power pending fresh legislation to secure some representation to this Chamber on the Port Trust.

3. My Committee need adduce only one instance and that is the recent question of wharfage rates to show how the absence of direct representation of Indian commercial interests on the Board of the Port Trust results in the vital interests of the Indian commercial community being neglected.

4. This has evidently not met with the approval of H. E. the Governor in Council. As a result this Chamber continues to be without direct representation on the Board of the Port Trust and they will have apparently to continue to criticise such actions of the Port Trust as do not meet with their approval after the same

have been taken—with what utility to the trade it may be left to the Government to imagine.

I beg etc.

J. K. MEHTA,

Secretary.

No. 290-M.

Marine Department, Secretariat, Fort, Bombay,

Dated the 9th June 1922.

To

Secretary, The Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject :—Representation of the Indian Merchants' Chamber and Bureau on Port Trust, Bombay.

Sir,

With reference to your letter No. T-375, dated the 2nd May 1922 on the subject noted above, I am directed by the Governor in Council to say that a Bill to amend the Bombay Port Trust Act with a view to altering the constitution of the Board of Trustees is under the consideration of Government.

I have etc.

ILLEGIBLE

For Deputy Secretary to the Government of Bombay,

Marine Department.

APPENDIX 33.

Legal practitioners—Removal of sex disqualification of women.

No. 1498-C.

HOME DEPARTMENT, SECRETARIAT FORT, BOMBAY.

28th March 1922.

To

The Chairman, the Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject :—Legal Practitioners, Removal of sex disqualification of women.

Sir,

I am directed by the Governor in Council to forward herewith a copy of a Resolution of Government in this Department No. 1498 dated this day, and to request that you will be so good as to favour Government as soon as possible with the opinion of your Chamber, on the proposal to remove sex disqualification of women for enrolment as legal practitioners.

I have etc.,

ILLEGIBLE

For Deputy Secretary to the Government of Bombay,

Home Department.

Legal Practitioners-Removal of sex disqualification of women.

Resolution No. 1948.

GOVERNMENT OF BOMBAY, HOME DEPARTMENT,

Secretariat, Fort Bombay.

Dated 28th March 1922.

Resolution:—Copies of the accompanying letter from the Government of India and of its accompaniments should be forwarded to the High Court, the Court of the Judicial Commissioner of Sind, the Commissioner in Sind, the Commissioners of Divisions, the Advocate

General, the Solicitor to Government, the Remembrancer of Legal Affairs, the Government Pleader and the Public Prosecutor in Sind, the Director of Public Instruction and the Principal, Government Law School, Bombay, with a request that they will favour Government as early as possible with their opinions on the proposal to remove sex disqualification of women for enrolment as legal practitioners.

2. The High Court should be requested to obtain the opinion of some selected District Judges, the Chief Judge, Small Causes Court, Bombay, the Bar Association and the District Bar Associations before submitting their observations. The Judicial Commissioner of Sind should also be requested to report after ascertaining the opinions of selected District Judges and Karachi and District Bar Associations.

3. Copies of the correspondence should also be forwarded to the Bombay Incorporated Law Society, the Bombay Vakils' Association and the Pleaders' Association of Western India, the European Associations, Bombay and Karachi, the Bombay Presidency Trades Association, the Karachi Chamber of Commerce, the Bombay Presidency Association, the Indian Merchants' Chamber and Bureau, Bombay, and the Indian Merchants' Chamber, Karachi, and they should be requested to favour Government as early as possible with their opinion on the proposal.

By order of the Governor in Council,

G. WILLES,

Deputy Secretary to the Government of Bombay.

Home Department.

No. F. 816-Judl.

From

H. Tonkinson Esq., I. C. S.

Joint Secretary to the Government of India.

To

The Secretary to the Government of Bombay,

Home Department.

Delhi, the 17th February 1922

Subject:—Proposal to remove sex disqualification of women for enrolment as legal practitioners.

Sir,

I am directed to invite a reference to the amendment proposed by Dr. H. S. Gour to Mr. Joshi's resolution debated in the Legislative Assembly on the 1st February 1922 regarding the removal of the sex disqualification of women in respect of the entry on the electoral roll for elections to the Legislative Assembly. Dr. Gour proposed to add at the end of the Resolution:—

> "And the Government be further pleased to remove the sex bar held to disqualify women from enrolment as legal practitioners in the courts of this country."

A copy of the debate in the Assembly is enclosed.* It will be seen that Dr. Gour withdrew his amendment on an assurance being given by the Hon'ble Sir William Vincent that the Government of India would consult the High Courts and the local Governments on this question. I am accordingly to request that the Government of India may be favoured as early as possible with the views of His Excellency the Governor in Council upon the question (after ascertaining the general public opinion, together with those of the High/Chief Court (and Judicial Commissioner's Court) and such other authorities or associations as the local Government think fit to consult).

2. Some representative associations have been adressed direct by the Government of India, and a copy of the letter addressed to them is enclosed.

I have etc.

H. TONKINSON,

Joint Secretary to the Government of India.

*Not printed here.

No. T.-430.

10th May 1922.

To

The Deputy Secretary to the Government of Bombay,
Home Department, Secretariat, Fort,

Sir,

With reference to your letter No. 1498-C. dated the 28th March 1922 on the subject of removal of sex disqualification of women as legal practitioners I am directed by my Committee to say that they have no views to offer.

I beg etc.,

S. M. MUZUMDAR.

For Secretary.

APPENDIX 34.

Commercial Deputation on Retrenchment to His Excellency the Viceroy.

A joint deputation from the Associated Chambers of Commerce of India, and representative Indian commercial bodies, was received by His Excellency the Viceroy at Viceregal Lodge, Simla, on 30th May 1922. The object of the deputation was to submit to His Excellency an expression of the commercial opinion of India on the subject of necessity of retrenchment in order to meet the very serious financial condition of the country; and the deputation was constituted as follows:—

Representing the Associated Chambers of Commerce.

Mr. C. W. Rhodes, C. B. E., M. L. A., *President of the Association, and of the Bengal Chamber of Commerce.*

„ Frank Nelson, *President, Bombay Chamber of Commerce.*

„ T. Gavin Jones, *President, Upper India Chamber of Commerce.*

„ P. Mukerjee, *Deputy-Chairman, Punjab Chamber of Commerce.*

The Hon'ble Sir Edgar Holberton, *Burma Chamber of Commerce.*

Representing Indian Commercial Bodies

Mr. Purshotamdas Thakurdas, C.I.E., M.B.E. M.L.C., *President, Indian Merchants' Chamber and Bureau, Bombay,*

„ Jadu Nath Roy, *Bengal National Chamber of Commerce.*

„ Debi Prasad Khaitan, M.L.C., *The Marwari Association, Calcutta.*

Mr. Rhodes first read the joint address of the deputation, which was in the following terms:

To

His Excellency the Right Honourable Rufus Daniel Isaacs, Earl of Reading, P.C., G.C.B., G.M.S.I., G.M.I.E. K.C.V.O, Viceroy and Governor-General of India.

Your Excellency,

We, the undersigned, representative in a large measure of the considered commercial and industrial opinion of India, have the honour to lay before Your Excellency the following submissions:

We are aware that it is the intention of Your Excellency's Government, pursuant to the resolution recently adopted by the Legislative Assembly, to appoint a strong and representative Committee in order to examine all possible measures of economy and reduction in the expenditure of the Central Government such as may reasonably be expected to lighten the heavy burden of India's present taxation. Your Excellency will we trust realise that, in thus appearing before you to urge what we already know to be Your Excellency's intention, we are acting on the sincere conviction of the great commercial and industrial communities we represent that nothing but the most drastic and far-reaching retrenchment in all branches of Your Excellency's administration will meet what we conceive to be the very serious financial condition in which this great country is now placed.

Whilst avoiding the controversial issue as to whether present

taxation has reached the point of maximum productivity we feel it incumbent to stress, with all the emphasis at our command, the vital necessity of reducing the country's current expenditure, at least to the level of the country's estimated revenue.

The situation requires, in our opinion, not only an examination into the cost of the various activities of Government with a view to a reduction in that cost to the lowest point compatible with efficiency, but also an inquiry as to whether in certain directions economies cannot be effected by the abolition or curtailment of departments that deal with subjects assigned under the Government of India Act to the provinces. Our mission here, however, is in no sense concerned with any endeavour to trespass on the duties of the proposed Retrenchment Committee or to suggest more than the general direction in which retrenchment should be initiated. At the same time, while retaining all possible confidence in the military administration of His Excellency the Commander-in-Chief, and while desiring the maintenance of a force adequate to protect India from external aggression, we feel constrained to express to Your Excellency the hope of the commercial and industrial centres we represent that the great and growing burden of military expenditure will receive primary and adequate consideration.

The business community is vitally interested in the national finances but as businessmen we are concerned more with results than with the ways and means by which these results can be reached, the latter being a matter which we are prepared to leave with full confidence in the hands of the Committee and of the Legislature. The ever increasing price paid by Government for their borrowings tends to reduce the amount of India's available capital and to raise the cost of money against the industrialist and businessmen. We are convinced that the establishment of financial equilibrium and the abandonment of progressive increases of taxation are problems requiring immediate attention not only in the interests of the communities we represent, but also for the well-being of the masses of the people.

In conclusion, whilst fully recognising the many difficulties surrounding the efficient administration of Your Excellency's Government, we feel most strongly that the field for economy and retrenchment is wide and we would urge not only that the work of the proposed Committee should be performed both with expedition and efficiency, but also that Your Excellency's Government should exert in the interval all possible efforts to effect economies so that a substantial reduction in expenditure may be effected during the current fiscal year.

We have the honour to be,

Your Excellency,

Your Excellency's most obedient humble servants,

C. W. Rhodes,
President, Associated Chambers of Commerce of India & Ceylon, and President, Bengal Chamber of Commerce.

Purshotamdas Thakurdas,
President, Indian Marchants' Chamber & Bureau, Bombay.

Frank Nelson,
President, Bombay Chamber of Commerce.

Jadu Nath Roy,
Bengal National Chamber of Commerce.

T. Gavin Jones,
President, Upper India Chamber of Commerce.

P. Mukerjee,
Deputy Chairman, Punjab Chamber of Commerce.

Debi Prasad Khaitan,
Marwari Association, Calcutta.

E. Holberton,
Burma Chamber of Commerce.

All the above representing the Associated Chambers of Commerce of India and Ceylon.

After reading and presenting the address Mr. Rhodes said:—Your Excellency, in introducing this representative deputation of Indian commercial interests, I beg to tender you on its behalf our thanks for having found time to receive it amidst your many and important pre-occupations. This deputation has an important significance. It has brought together probably for the first time, but most certainly not for the last, Indian and European commercial interests on a common platform with a common object. India is about to enter on her commercial and industrial birthright and to build up, we all hope, amongst both Indians and Europeans those high traditions and that aristocracy of commerce which for centuries have been the pride of Great Britain. It augurs well that at the outset we join forces, not to speak the same words through the same lips, but to place our several points of view before you with the utmost frankness and respect, realising not only the common interests that bind us, but also our common responsibilities towards the land of our birth or adoption; for neither commerce nor industry can thrive by the exploitation of the people but only by their well-being and growing prosperity. I therefore feel proud as President of the Associated Chambers of Commerce to stand side by side with Mr. Purshotamdas Thakurdas and my other friends here, sharing with him and them the equal honours of representing our views before Your Excellency. We are not here to criticise, but to strengthen your hands. We may be told not without some apparent justification, that as a Retrenchment Committee has recently been appointed under the able guidance of Lord Inchcape, our request for this interview was unnecessary. We do not think so. In the Council of State in January, Professor Kale and Sir Arthur Froom advantaged some such Committee as that since proposed in order to create confidence in the country that there was no culpable wastage. They considered that once the country was convinced of this fact fresh taxation would be less unpalatable. Well, Sir, we have had the fresh taxation before the conviction and it has proved unpalatable. In the forms permissible to the Central Government taxation is inevitably taxation of trade and taxation of trade is taxation of the people, which has proved in the last few years taxation also of the

patience of people leaving them an easy prey to the agitator, whose actions have done so much directly and indirectly both to accentuate the poverty of the people and to add to the financial difficulties of the State.

The Hon. Sir Malcolm Hailey has admitted quite frankly to the Assembly the necessity for retrenchment. The Hon. Mr. Cook, whom we heartily congratulate on his new position, went further and told the Council of State that the Government are whole-heartedly committed to a policy of retrenchment. These two distinguished members of Your Excellency's Government have had the views of the representatives of the people pressed home upon them in the recent Budget debates and we owe to you, Sir, a special debt of gratitude in refraining from certifying the cuts which we legislators felt it necessary to make. I speak feelingly, for I myself was responsible for one at least of the largest of those cuts.

But though the Finance Department has realized the importance of retrenchment, we are not yet convinced that all departments of Your Excellency's Government are equally sound in their outlook and what applies to the Finance Department may not necessarily apply to the others. A friend whose knowledge of Omar Khayyam is profound, if not strictly accurate, recently quoted to me in this connection the words :—

"Indeed, indeed retrenchment oft before
I swore—but was I sober when I swore?
And then came Spring—and Budget time
My threadbare penitence apieces tore!"

We are not here to put our finger on the weak spots. That is the work of the Retrenchment Committee. But when we see Central Departments still heavily staffed, even though their administrative work has been delegated to the provinces: when we see the realisation of the Delhi blunder growing throughout the land more rapidly than the embryo city on the arid plains of Raisina: and when we view the heavy burden of military expenditure, amounting this year to 67¼ crores out of a total expenditure of 142 crores, we do

contend that *prima facie* case has been made out for thorough investigation with the pruning knife in hand. About Delhi I only wish to venture on one note of warning. Surely it is far better that the transfer of the capital should go down to posterity unjustified than that it should be justified by the arbitrary marshalling there of numerous institutions, such as those devoted to education and healing or even perhaps some of the administrative offices, for which there may be other much more suitable centres. We submit that the initial mistake must not be justified at the expense of the tax-payer, or of the whole country.

In a memorable speech the Hon. Mr. Cook distinguished between economy in the administration, and retrenchment. Economy is always necessary, retrenchment, or the doctrine of cutting your coat according to your cloth, is necessary only when the cloth has run short. The cloth has run short and retrenchment is now essential. In dealing with the recent Budget, the Assembly ruthlessly pruned all votes in an illogical way ; but it could only use the weapons it had and it was clearly indicated that the illogical path led to a logical end.

We freely and frankly admit that economy must not be obtained at the expense of efficiency. The earning departments, customs, income tax, railways, posts and telegraphs and the like, must necessarily be provided with sufficient funds to produce the greatest possible revenue at the least possible cost.

We are not here, Sir, to prove that India is bankrupt. We should have failed in our duty if we had remained silent until the bailiffs were in possession. We recognise that India is relatively in the fortunate position that a large portion of her national debt is really a national asset in that it is revenue producing. Nor are we prepared to assert positively that the limit of productive and safe taxation has been reached, though it is a point on which some amongst us have serious misgivings. But we do say that the limit of productive expenditure has most certainly not been reached and if as we think, economy and retrenchment must precede much of that productive expenditure, then Sir, how much more urgent is it that the pruning knife should not be delayed.

High expenditure means budgetting for deficits. Unless strict economy and retrenchment are exercised this year that deficit will be nine crores. There is a danger of this becoming our settled policy followed as it must be by inflation of the currency; inflation means higher cost of living, economic distress, agitation, consequent higher expenditure on military and police, stifling of commerce and industry, more revenue needed, less result from taxation, larger demands from the taxpayer and consumer, and so the vicious circle goes on. In the closing debate on the recent budget, Sir Montague Webb expressed this well when he said, "I want to impress on you this point that by budgetting for a deficit, as we are doing now, we are budgetting for a descent to bankruptcy; for if the Finance Member cannot cover this deficit he must put forth more paper currency; he must borrow; he must have further losses in exchange; he must have another deficit. I should like to impress upon this House that the first way to overcome the present difficulty is not to budget for a deficit but for a surplus."

But I desire also to draw the attention of Your Excellency to the Genoa Finance Report just published. Resolution 11 contains the following sentence: "In order to gain effective control of its own currency each Government must meet its annual expenditure without resorting to the creation of fiduciary money or bank credits for the purpose."

At a time when my colleagues and myself are considering the final draft of the Fiscal Report it is difficult to discuss import duties. But all the witnesses we have examined have testified to the burden, possibly the unavoidable burden that these impose on the consumer, and industrialists, who have advocated protection of their own particular industry, have emphasised that protection like charity should begin and end in their own particular home. There is a unanimous outcry against high revenue duties, against the handicaps placed both on the people and on industrial development, by the consequent steady rise in the cost of living.

I will trespass no further on your patience for we desire that

others should place their views befor you. I myself have only dealt with the subject very generally, but in conclusin may I ask Your Excellency in the name of Indian commerce and the people we serve, to give a new and deeper significance to that old British party cry of "Peace, Retrenchment and Reform."!

MR. PURSHOTAMDAS THAKURDAS spoke as follows:— Your Excellency, before I put before you the views of my Chamber supplementing and elaborating what is said in the joint address, I would like with Your Excellency's permission to say a few words regarding my friend Mr. Rhodes's remarks about this novel and unprecedented occasion. British commercial interests in India have always commanded the Government of India's best attention. They have always been known to be powerful in their influence. The stakes of the Indian commercial community in the welfare and good administration of the country need no demonstration. With changes in the Indian's outlook in the good government of his country the influence of the Indian commercial community with the masses ought to, as it does, increase. And I felt that, if the British commercial interests saw their way to join hands with us in submitting to you what we do to-day, it would mark a new period in the development we all look forward to. We put before Your Excellency our general conclusions based on not identical grounds perhaps, but the result is the same. I wish to express to Mr. Rhodes my great appreciation of the whole-hearted manner in which he accepted my suggestion, and I trust this may prove to be the commencement of greater and better understanding between the two commercial communities represented on this deputation.

Your Excellency, the joint representation just submitted to Your Excellency touches generally the principal matters on which the commercial communities of the country are in unanimous agreement. Of the several problems that Your Excellency's Government have to solve in the direction of the better government of the country, finance is certainly the one outstanding problem that we too are faced with in common with the lot of all the Allied countries that fought in the great war. Eminent and experienced

minds in Europe and in America have for some time now been giving their earnest attention to the solution of the problems of sound finance. Statesmen, businessmen and financiers of high eminence and from various countries have met in important conferences for the purpose. They have all been unanimously agreed as to the urgency of drastic retrenchment in a nation's expenditure, so as to bring it within the limits of its revenues. And efforts are being made by every nation to realise a surplus to help in the revival of its trade and industries. This unanimous agreement has its application to all countries without exception; and if it varies at all in the case of some, it does so only to the extent of the relative degree of impoverishment suffered owing to the war. Even the biggest and most powerful nations of the world found it necessary, in spite of their widely conflicting interests, to meet at Washington last year to arrive at some agreement on the subject of the killing burden of armaments. A reduction in the expenditure of the world on this head was recognised as most urgent and vital, if a return to financial equilibrium was to be rendered possible. The world at large may, therefore, be said to have recognised the pressing need of reducing such expenditure to the lowest possible minimum, if, after the destruction and disaster of a world war, peace is to repair its ravages, and lead to renewed progress and prosperity. We appear before Your Excellency to-day to ask that those decisions, arrived at in the west by nations more powerful and more prosperous than we are, may be accepted for this country and put into effect by Your Excellency's Government without any further delay.

In presenting the financial statement this year, the Hon'ble the Finance Member stated that no less than Rs. 90 crores had been spent by the Government of India during the last four years in excess of their revenues. The budget for the current year leaves an uncovered deficit of over Rs. 9 crores. This, my Lord, is a grave state of affairs, and is by itself sufficiently disquieting to warrant the country asking Your Excellency as the head of the Government to review its expenditure with a view to substantial retrenchment and useful economy in every item of expenditure. The necessity of adopting a definite currency policy as would establish confidence in the

commercial community and foster production needs also, I might add, no emphasis. Besides the successive deficits in the Central Government's budget, to which I have just referred, most of the Provinces showed deficits last year. They met them from their accumulated balances, which were reduced in some cases very considerably indeed. And in the current year these provincial deficits amount to about eight crores of rupees, which have been partly covered by increased taxation as in Calcutta and Bombay, and partly left uncovered in the hope of assistance from the Central Government. We submit that such a state of things cannot possibly be allowed to continue by any responsible Government, if State and individual bankruptcy are to be avoided.

India's burden of taxation to-day amounts to Rs. 6-1-8 per head. In 1913 it was well under Rs. 3 per head. And I venture to submit to Your Excellency a small table bearing on this subject. I do not know if the Government of India believe that production and average income have likewise doubled since 1913. And unless they so contend, my Chamber feel that the general conviction of the Indian public that the maximum taxable capacity of the people of India has now been long passed should urge the Government to pursue a financial policy of the utmost caution. This conviction is only strengthened by the fact that in India such wealth as there exists is divided very unevenly amongst the rich and the poor at either end. One may see a few bodies of traders and husbandmen, and their proportion to the total population is insignificant, living in a security and comfort unknown in the palmiest days of the Mogul and the Maratha. But may I ask, as Sir William Hunter often asked himself: "Whether the prosperity of the prosperous is not highly paid for by the poverty of the poor, and whether this splendid fabric of British Rule does not rest deep down on a harder struggle for life?" My submission, my Lord, is that the struggle is much harder to-day in 1922 than it was in 1879 when Sir William Hunter asked that question.

The increased burden and the harder struggle are in great measure due to the increased cost of administration, in particular to the cost of defence. The expenditure on the Army has from the very

commencement been the largest and the most burdensome of all the items in the expenditure of the Government of India. I would refer Your Excellency to the representation that my Chamber submitted to the Finance Department on this subject in March last. The military expenditure of Rs. 87·2 crores in 1919 and of Rs. 88·2 crores in 1920 almost equalled the total expenditure of the Government of India of Rs. 89.4 crores in 1901 and is very nearly 75% of the total expenditure of Rs. 124·2 crores in 1913, of Rs. 124·3 in 1914 and of Rs. 128·4 crores in 1915. Our army has been maintained for the last two generations on a war footing and up to a standard of efficiency calculated to meet a first class European power. But Indian statesmen have always questioned the necessity or the desirability of so costly and disproportionate a scale of defence. Without dealing with the grievances of the public, from other points of view, on this unbearable and crushing burden, I think I may safely say that on financial grounds alone a substantial and whole-hearted retrenchment is imperative and urgently called for. The consensus of opinion amongst the richer nations of the world as to the necessity of reduction in armaments entitles India to ask Your Excellency to brook no delay in the application of this principle to her. The country has been demanding this all through, and remains unconvinced to-day of the wisdom or the fairness of the policy followed in spite of their disapproval. Any half-hearted action in this matter will, therefore, now be received only with grave disappointment, and, may I add, with increasing discontent.

The prosecution of the war has no doubt entailed great increase in the unproductive debt of the belligerent countries, which generally speaking, have been in accordance with the stake of each in the final result of the war. In 1913, the interest on the unproductive debt of India, including the floating debt, amounted to £1·4 million (Rs. 1-9 crores). The corresponding budget figure for 1922 is Rs. 15 crores, including sinking fund charges—an increase of more than Rs. 13 crores during the interval between 1914 and 1922. Any further increase in this deadweight on the tax-payer must, therefore, be avoided at all costs. The case is urgent because the present policy of continuously outspending the

national income entailing, as it does, an enormous scale of borrowing has compelled Your Excellency's Government to borrow at continually rising rates of interest, with the result that it has become impossible for the industries and trade of the country to get further capital for development, or even for working, at anything like reasonable rates. It is finally to an expansion of national production and national income that we must look, if India is to be enabled to bear the heavy burdens that the war has left her with. And from this point of view the high rates at which the Imperial and Provincial Governments have to borrow, rates which have practically choked off the flow of much needful capital to our trade and industries, are much to be deplored; for every increase in the National Debt for unproductive purposes means in present conditions a corresponding starvation of the great productive agencies of the people, *viz.* their trade and industries. Of what avail if these productive elements in a nation's growth are thus paralysed? Need we, from this point of view, urge upon Your Excellency's Government the curtailment of every rupee of unnecessary expenditure and unnecessary borrowings?

Let me give but one glaring instance of unproductive expenditure, and refer to the further expenditure on New Delhi. This scheme of New Delhi was estimated to cost about Rs. 6 crores. I understand that owing to exigencies of the war, it has already cost in the neighbourhood of Rs. 7 crores. And it is apprehended that it will cost another Rs. 6 crores before the project is complete. The question of Delhi as the capital is no longer an open one, and must be so recognised by all who are not carried away by their own personal predilections or hobbies. Whilst as a member of the commercial community I should not be so short-sighted as to urge the non-completion of buildings on which large amounts have already been spent, I would certainly urge most emphatically, though respectfully, that the works in hand be completed as soon as possible, and with no further expenditure than is absolutely necessary. It may usefully be suggested that with the reduction in the number of departments in the Government of India, which the public look forward to, considerably less accommodation will be required at New

Delhi than originally estimated. The embellishments and the final touches by way of decoration, and for increased comfort, can always be taken in hand at a later date, when finances permit. In the meantime any avoidable expenditure on this head, adding to the annual interest and sinking fund charges on the unproductive debt of India, will always be open to the charge of extravagance.

The representation submitted by my Chamber's Committee last March included suggestions which were made for reducing the expenditure of the Civil estimates of the Central Government. It was suggested, for instance, that the portfolios at the Imperial headquarters dealing with provincial subjects which are now transferred, *viz.* Education, Industry (including Labour), Medical, Sanitation, Revenue and Agriculture, might well be abolished. I have heard of no convincing reasons for now keeping up departments for such portfolios at Delhi; and their abolition will also mean a reduction in the number of members of Your Excellency's Executive Council. While I am on this subject, may I incidentally, and with Your Excellency's permission refer to a subject which though not quite relevant to our interview to-day, has a bearing on retrenchment generally. I think the appointment of four Executive Members in addition to three Ministers in the Provincial Governments is a costly luxury which calls for immediate retrenchment. The Indian press and the public criticised this idea of a large cabinet at the very start, but without avail. It is to be hoped that the commonsense view will assert itself that seven persons were not needed from January 1921 to do what three did with administrative ease till December 1920, if for no other reason than the inability of a lean purse to bear such luxuries.

We have sought this interview, my Lord, because we feel that the situation demands it. It calls for the exercise of the highest statesmanship that Great Britain can produce and for the use of the widest powers vested in Your Excellency as Viceroy and Governor General of India. I hope no apology is needed either for the occasion taken; or for the seriousness with which the warning is sounded to the Government in the spirit of helpfulness and in the expectation that due weight will be given to the views expressed on behalf of the Indian commercial community

We of this community have patiently stood aside until now, but we must respectfully point out the undesirability of continuing any more as hitherto, particularly with regard to the Military Expenditure. There are no better friends of the British Government in India than those who have large commercial and industrial stakes in the country. And we would be failing in our responsibility if we did not appeal to Your Excellency as the Head of the Government to deal with the issues submitted to-day with a firm will and an iron hand.

Sir Edgar Holberton spoke as follows:—Your Excellency, I desire, in the first place, to express my extreme appreciation of the honour of being allowed to associate myself with the first joint representation to Your Excellency of the united views of Commercial India. I would also ask to be allowed to voice my gratitude to Your Excellency for your courtesy in receiving us, which is doubly gratifying under the present circumstances when the fact that you are actually in process of appointing an important Retrenchment Committee might well have been put forward as a reason for considering such a representation unnecessary.

Your Excellency will have noticed from our joint memorial and from the two important speeches which have followed it that there is a complete unanimity of commercial opinion on the two main principles involved. The first of these is the necessity in all countries of a budget in which expenditure is balanced by revenue. The second is the paramount importance in cases like our own, where there has been a divergence from the first principle, of an immediate and searching examination of the best methods of re-establishing financial equilibrium without sacrifice of efficiency, which sacrifice would only defeat its own ends.

Your Excellency will hardly expect a complete unanimity in regard to the detailed measures necessary to accomplish in full our united desire and there must necessarily be difference of points of view between the various important commercial bodies which we have the honour to represent before you.

For instance, the first speaker, in his remarks with reference to

Delhi, has perhaps used more eloquence than would have been found necessary by a representative of any other city than Calcutta. At the same time there would, I think, be a consensus of opinion of the danger of any attempt to concentrate too many departments or too many institutions in that one headquarters seat of Government. I believe I am right in saying that, if India did so, she would not be following the historical precedent of Washington.

With regard to the Army, we shall again find unanimity in a feeling of alarm at the great cost of its administration. But some of us think that it may be possible to obtain a very considerable reduction in cost without the necessity of a corresponding reduction in numbers. As businessmen, we want to be sure that administration is carried out on business lines, and we are not without a feeling that perhaps a hint might be taken from the methods employed at home where administration, apart from the strategical and purely military side, is largely in the hands of civilians.

I should wish with Your Excellency's permission to identify myself with the view expressed so ably by Mr. Rhodes that retrenchment does not by any means connote an all—round reduction in expenditure. For instance, in such departments as Customs and Income Tax, I know that several of the important Chambers agree with me feeling certain that a more generous expenditure on the machinery of administration would be amply repaid by the better financial results obtained.

In conclusion, I would again express my gratitude to Your Excellency for the promise to appoint a Retrenchment Committee, and my confidence not only that when the names are published we shall find them to be such as will meet with universal approval but also that when its recommendations are published, we may rely on the most prompt and adequate steps being taken to carry them out.

H. E. the Viceroy's Reply.

His Excellency replied as follows :—Gentlemen, I feel it shows great public spirit on the part of the Associated Chambers to have deputed you to take the long journey to Simla for the purpose of laying before me in a matter of such vital importance to the country and

to the Government the views of bodies who justly claim to represent the considered commercial and industrial opinion of India. This is the first time, I understand, that Indian and European Chambers have acted together in approaching the Viceroy on a question of general importance of this nature. That you have taken this step not to promote in particular any special activity in which your Chambers are interested, but in connection with an issue which you rightly believe to affect in a serious degree the interests of the tax-payers, the people of India generally and the well-being of the country at large, augurs well of the existence in your communities of a sense of responsibility which should animate all enlightened sections of the people in public affairs in India. I have a firm belief in the necessity of maintaining a close touch between Government and the great commercial and industrial communities, and I would value an expression of your views at any time; but for the special reasons to which I have referred, I particularly welcome your deputation to-day and have heard your observations with no common interest.

In the first place, let me assure you that I and my Government are fully alive to our serious financial situation and to the importance of establishing equilibrium between actual current expenditure and a reasonable estimate of revenue. We realise the effect of continued deficits and borrowing operations upon trade interests. We clearly recognise that one of the first avenues to be explored, and thoroughly explored, is the question of our expenditure. As regards the latter, we are prepared to place it in the crucible and put it fully to the test. With reference to each department and each of its several activities in detail, we intend to prove it by the reaction test of whether the department as a whole and each of its activities severally are absolutely necessary and indispensable; and if the answer to that test is in the affirmative, we propose to employ further searching processes to ascertain whether its activities permit of reduction in expenditure or not, and even if the latter be the answer, we will not be content to rest there, but will examine whether as efficient results could not be attained by a complete change of method of treatment if that points the way to saving. I hope you will be convinced by what I have said that we intend no half measures. We protect no-

thing; we conceal nothing; we reserve nothing; we do not apply any temporising measures to our bodily disease. We desire to lay our ailments and the history and facts of our constitution frankly without reserve before the physician and we are prepared, as far as it is compatible with efficient Government and the primary necessities of safe and good administration, to submit to operation, to cautery, to the letting of blood or to rigorous diet.

As regards the Committee which is to report to the Government of India, we have secured as Chairman Lord Inchcape. I cannot too highly praise the high sense of public duty which has actuated one of the busiest of men after his recent arduous labours to undertake this work. I know that I express the opinion of those before me when I say that we could hardly have secured one more fitted in every way to direct those investigations in India. His knowledge of India, where he first made his reputation in business, and his unique experience of problems similar to ours gained during his membership of the Geddes Committee, single him out as one who is peculiarly gifted for the task in which he has consented to help us. As regards the members of his Committee, I hope and believe that when the full constitution is announced—as it will be very shortly—it will command the confidence of all who are interested in the financial condition of India, and will satisfy them of our earnestness of purpose. We are attempting to secure advisers whose qualifications are beyond dispute, who will examine our problems from a wholly novel and unbiassed angle of view, but with the lens of acumen and experience. The Secretary is to be Mr. Howard—Lord Inchcape's own selection. Mr. Howard was at one time associated with our finances in India. He is personally known, I think, to some of your deputation and, I believe, the Committee will be able to rely implicitly on his experience of the financial aspects of all questions connected with the Government of India. Liaison Officers will be attached to the Committee to place all our archives at their disposal and to explain the precise function, or alleged function, of the various wheels in our complex administrative machinery.

The field of the labours of the Committee is the whole of the administrative machine of the Central Government and the processes

which it controls or drives. This includes military expenditure under the terms of reference already made public. You will have perceived that they are identical, except for minor verbal modifications, with those of the Geddes Committee. They enjoin scrutiny of all departments and branches and of every class of expenditure. But of course, just as with the Geddes Committee, the final determination upon matters of policy will rest with the Government.

It would be a waste of time and money to burden those who are to do the expert assay with the labours of the crushing or with the collection of the spoil for examination. Much of the spade work will be accomplished before the Committee assembles. The preparatory work has already been entrusted to an experienced officer of the Finance Department who is on special duty and is even now engaged in searching enquiries in each Department. Some of this preliminary work has indeed already been completed. A Committee, which I recently appointed under the presidentship of Mr. Innes and of which General Hudson and Mr. Sim were members, has finished an investigation into the question of the staffs employed at Army Headquarters. I cannot commend too highly the thoroughness with which this examination was pursued and the expedition with which their report was submitted.

Adequate steps have been taken to ensure that the Committee, when it assembles, will be supplied with full information on every point which it may desire to investigate. As regards expedition, Lord Inchcape's engagements prevent him from reaching India before October; but we hope before then to make a substantial advance into the field of examination in which they have to labour. We have taken every precaution to ensure that the investigation starts under the best possible auspices and is in position to dispose of its work with expedition.

One result which we hope for from this preliminary work is that we may find ourselves able, as a result of the department's scrutiny of their own expenditure and of the critical examination carried out by our Special Officer, to prune off and lop redundant and unnecessary branches in advance of the sittings of the Committee. Instruc-

tions to this effect have already been issued to all departments; and it will be one of the chief tasks of the Officer on Special Duty to watch the progress of this kind of retrenchment and to direct the enquiries of the departments into profitable channels. He has also been instructed to devote special attention to cases where the activities of a department deal with provincial subjects.

I note your observations regarding New Delhi. I can assure you that my Government are fully cognisant of the criticism and discussion in the Press and otherwise relating to this monumental work, and the subject is engaging our most careful attention with a view if possible to restricting the expenditure.

I hope that what I have told you will give you confidence in the earnestness of purpose of my Government. In spite of what is at times said to the contrary, I have every reason to believe from the reports that come to me from all parts of India that the Government, which is representative of India in a greater degree than previous central Governments, is inspiring trust and confidence. Whilst desiring to join with you to-day in avoiding controversial issues, I must remind you that my Government have been faced with difficulties of an exceptional nature. The aftermath of war, trade depression, reduced exchange, high prices, economic distress, troubles in Malabar and on the Frontier and political agitation, combined to create a most complex situation. In addition, the great changes in problems connected with the working of the reformed constitution had to be compassed in the midst of considerable political unrest. In our judgment this situation in its various stages of progression required careful and patient handling. May I remind you that patience is a political virtue which often demands greater courage than more picturesque forms of action.—But it should never be practised indefinitely; it may depass the limit of a virtue and become a fault, and we have not hesitated to take resolute action when we thought conditions required it. I hope I may now claim that the policy of my Government has been justified by events, and that India will enjoy a period of greater peace and tranquillity. For a time, at any rate,—and I trust for a long time—we have comparative

peace. We have an atmosphere in which our political life and economic progress can grow and develop on right lines. In this development I am in full accord with you that the restoration of financial equilibrium in India, based upon retrenchment, where possible, of expenditure, is of most urgent importance, and you may rely upon my utmost efforts to secure this result.

You have supplemented your address by very notable speeches delivered by three of your body who are well known in India; and if I do not travel into all the roads along which they have themselves journeyed, it is only because I fear to express any opinion likely in any way to affect the labours of the Retrenchment Committee. Let me assure you that I am as fully persuaded as each one of you of the vital necessity of cutting down expenditure, wherever we can do it, with due regard to efficiency of Government. Retrenchment is poor economy if it results in inefficiency, because that inevitably leads to waste and extravagance.

You struck the right note throughout when you impressed upon me the necessity for retrenchment, whilst bearing in mind also the equal necessity for efficiency of administration. You have mentioned a variety of subjects. I am tempted to discuss them with you, but I must refrain. I think, if I were to do so, I should be embarking upon a very long speech and upon subjects in which speaking generally there is not such a great difference of opinion between us. That above all things we must do our utmost to avoid deficits in the future, I assure you, does not require elaboration by you, although I am glad to have the support of your observations. It came to me as a shock when I discovered that for four years there had been a deficit of 90 crores in the four annual budgets—a subject to which Mr. Purshotamdas Thakurdas has referred. This year we again have a deficit but of that I shall say nothing more to-day. It has been much discussed and we have to face the situation as it now is. There are vast problems to be considered; but it is above all necessary that we should devote our attention to them in the interest of India, that we may bring about the equilibrium we all desire. May I however say that I do not think we

should be too despondent about the situation. I was more familiar with the financial conditions of England before I came here; and although I preface my observations by paying due regard to the far greater wealth of that country, yet at the same time, I cannot but think that in comparison with the loans we in England have had to contract for the purpose of the great War, India fortunately for her is in a better position. India has this great advantage over Great Britain and other countries in that the greater part of her loan account consists, as Mr. Rhodes has pointed out, of loans which bring revenue. They are productive, not unproductive; that is a factor not to be forgotten when anxiety is felt regarding the loans for which India is responsible. I do not make this observation with the idea of belittling in the slightest degree the serious financial condition of India, but for the purpose of giving some comfort; whilst realising the increased importance of restoring equilibrium and of reducing expenditure wherever possible, nevertheless it is desirable not to fall into the error,—as persons might easily do who may not have such a full appreciation of the situation as you have—of exaggerating the seriousness of the conditions of India at the present moment.

I am glad to have had the opportunity of receiving you and of listening to you and I am encouraged by your presence as representative of both the great British and Indian commercial communities of India, joining together here for the benefit of India, to make representations to me as Viceroy, designed for the advantage of India. In this joining together of the commercial communities for this purpose, which I understand takes place for the first time, I would express the hope that I see the first step towards that greater co-operation between British and Indians in all fields of activity in India for the benefit of India and of the Indian people.

The deputation then withdrew

Table showing the Incidence of Taxation in India, and the average annual income per head.

(Referred to by Mr. Purshotamdas Thakurdas in his speech)

Year.	Average annual income per head. Rs.	Authority.	Estimated taxation per head. Rs. As. Ps.
1871	20	Dadabhai Naoroji	1—13—9
1881	27	Sir David Barbour	2— 2—3
1901	30	Lord Curzon	2— 6—6
1911	50	Hon'ble Mr. Cook	2—11—3
1913			2—14—5
1922	(All India)		6— 1—8

Note :—(*a*) In calculating the Incidence of Taxation, only those items of revenue, which are acknowledged as Taxation, have been taken, *viz.*, Land Revenue; Salt; Stamps; Excise; Provincial Rates; Customs; Taxes on Income; and Registration. Commercial services, like Post and Telegraphs, and Railways as well as Municipal and other local taxation have been excluded. It is necessary, however, to remember that the Railways, a monopoly of the Government of India, have considerably been used as a means of indirect taxation, and to that extent such revenue from the Railways should be added to the genral taxation figures as estimated above.

Note :—(*b*) In answer to a question in the Council of State on 23rd February 1921, the Hon. Mr. Cook said that the Government of India regarded all the above mentioned figures of income per head with great reserve, but he explained that the figure of Rs.50/—for 1911 was calculated on the same lines as were followed in 1881 and in 1901.

APPENDIX 35.

Legislation to prohibit the Transport of Cotton.

No. 535.A.

Revenue Department, Secretariat, Fort, Bombay,

Dated the 28th April 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

Subject.—Legislation to prohibit transport of cotton.

Sir,

I am directed by the Government of Bombay (Tranferred Departments) to forward a copy of Government Resolution No. 535-A, dated 22nd April 1922 together with that of the Bill referred to therein and to request that Government may be favoured with the remarks of your Chamber on the Bill as well as on paragraphs 2 and 3 of the Resolution.

2. I am to add that a reply to this reference may be sent so as to reach Government by the end of May 1922 at the latest,

I have etc.,

A. E. SERVAI.

For Under Secretary to the Government of Bombay,

Revenue Department.

T.-460.

18th May 1922.

To

Rao Bahadur Shamrao D. Mankar, B. A.,

Under Secretary to the Government of Bombay,

Revenue Department, Secretariat, Fort,

BOMBAY.

Sir,

With reference to your letter No. 535-A, of 28th April 1922, and its enclosure I am directed by my Committee to express their views as follows :—

The very first observation that my Committee wish to make is that the measure sought to be introduced being of an enabling nature is not in accordance with paragraphs 221 and 222 of the Indian Cotton Committee's Report. The evidence of bodies and individuals connected with the cotton trade as given before the Indian Cotton Committee fully supported the recommendations of the said Committee as affecting the bill and my Committee fails to understand why the Government of India should desire to submit to the legislature a measure that may well be said to be halting and half-hearted.

It was in the year 1919 that this Chamber wrote to the Government of Bombay drawing their attention to the misuse of Railway and water transport facilities especially in Surat and Broach districts and my Committee cannot help feeling that the delay since then in any action on the part of the Government has done irreperable harm to the cotton crops of those districts.

The Cotton Frauds Act of the early seventies was an extreme measure of the Government control on the cotton trade taken at the instance of Lancashire. Since then the Government of Bombay apparently went to the other extreme and adopted a policy of "Laiser fairo". The result of the policy is fully described in the Indian Cotton Committee's Report and my Committee would urge Government not to take action on that Committee's Report either piece-meal or half heartedly but to the fullest extent as far as the approval of the traders concerned therein is unanimous. My Committee understand that the Cotton Contract Board of Bombay and several other leading cotton merchants are communicating their views in details on the Bill and they therefore do not wish to reiterate same here. My Committee therefore wish to communicate to Government their general views on the Bill as stated above.

I beg etc.,

S. M. MUZUMDAR

Assistant Secretary.

APPENDIX No. 36.

Amendment of the Indian Stamp Act.

No. 4584-E.

Revenue Department. Secretariat, Fort, Bombay.

Dated the 27th April 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject:—Revision of the rates of stamp duty on documents covered by the Indian Stamp Act II of 1899.

Sir,

I am directed by the Governor in Council to forward a copy of Government Resolution No. 4584 dated 22nd April 1922 on the subject noted above and to request that this Government may be favoured with the views of the Chamber and Bureau on the proposals contained in paragraphs 3 to 5 of the letter from the Government of India No. 902 dated 17th February 1922.

I have etc.

A. R. SERVAI.

For Under Secretary to the Government of Bombay, Revenue Department.

Accompaniment Government Resolution No. 4584 dated 22nd April 1922.

STAMP DUTY.

Indian Stamp Act II of 1899.

Revision of the rates of-on documents covered by the Government of Bombay. Revenue Department.

Resolution No. 4584.

Secretariat, Fort, Bombay.

Dated the 22nd April 1922.

Endorsement from the Government of India, Department of Commerce. No. 903 dated 17th February 1922—Requesting the views of this Government on the proposal contained in paragraphs 3-5 of the following letter No 902 dated 17th February 1922 :—

"I am directed to refer to Mr. Nizon's circular letter No. 240-F., dated the 24th January 1922, in which it was stated that the Government of India were considering which of the documents described in Schedule I to the Stamp Act II of 1899 should be charge able with duty uniform throughout India but which wise be variable at the discretion of Local Governments.

2. The whole question of the enhancement of the rates of stamp duty scheduled in the Indian Stamp Act II of 1899 has been considered by a Committee appointed by the Bengal Government. I am to enclose a copy of the Bengal Government letter No. 3126 S. R. dated the 13th December 1921, on the subject, with its enclosures. The Government of India have carefully considered the proposals of the Bengal Government and the draft Bill prepared with a view to give these proposals effect. They have come to the conclusion that the lines on which the Bengal Government propose to proceed are in order save that the following further instruments (in addition to those omitted by the framers of the Bill) must be reserved for all India legislation :—

Acknowledgments. No. 1 in Schedule I to the Indian Stamp Act and No. 1 in Schedule I-A. to the Bengal Bill.

Cheques. No. 21 in Schedule I to the Indian Stamp Act and No. 19 in Schedule I-A to the Bengal Bill.

Promissory Notes. No. 49 in Schedule I to the Indian Stamp Act and No. 43 in Schedule I-A to the Bengal Bill.

Receipts No. 53 in Schedule I to the Indian Stamp Act and No. 46 in Schedule I-A to the Bengal Bill.

Subject to the omission of these four instruments, the Governor

General has given his sanction to the introduction of the Bengal Bill and to a similar Bill from the Governments of Bombay, Madras and Assam. I am to request that, if the Government of the United Provinces, Government of the Punjab, Government of Burma, Government of Bihar and Orissa, Government of the Central Provinces desire to legislate on similar lines with a view to increase the rates of duty on non judicial stamps, within their jurisdiction, a Bill should be drafted and submitted to the Government of India in the Legislative Department for the sanction of the Governor General.

3. I am now directed to raise the further question of the enhancement of existing rates of stamp duty on instruments reserved for Imperial legislation and excluded from the scope of the Bengal Bill. These instruments are:—

No. in Schedule I to the Indian Stamp Act.	Description.
1.	Acknowledgment.
13.	Bill of Exchange.
19.	Share Certificate.
21.	Cheque.
28.	Delivery Order in respect of goods.
36.	Letter of Allotment of shares.
37.	Letter of Credit.
47.	Policy of Insurance.
49.	Promissory Note.
52.	Proxy.
53.	Receipt.
60.	Shipping Order.

It will be observed that the above list does not exactly correspond to the list of instruments for which unified stamps are permitted. It covers, however, the most important of such instruments and includes also Promissory Notes for which all India uniformity seems desirable.

"4. I am to explain in this connection that the Government of India, as at present advised, are reluctant to carry out any enhancement of the rates of duty on Bills of Exchange, Cheques, Policies of Insurance and Receipts. In the case of receipts, evasion is not difficult and one result of enhancing the duty on Receipts would be to increase the temptation to evade the duty. With regard to Cheques and Policies of Insurance, the Government of India are unwilling to take any step likely to discourage Banking and Insurance which have not yet by any means attained general popularity in India. The question of enhancing the rates of duty on Bills of Exchange is more doubtful, but similar arguments appear to hold good in their case also.

"5. The Government of India will be glad to receive the views of the Government of the United Provinces, of the Government of the Punjab, of the Government of Burma, of the Government of Bihar and Orissa, of the Government of the Central Provinces on the question whether any, and if so which, of these instruments can bear an enhancement of the existing rates of duty and to what extent. It should be clearly recognised that it is important to consult local commercial interests, both European and Indian, before recommendations are formulated. Should the replies of Local Governments evince a reasonable degree of uniformity the Government of India will then consider the preparation of an all India Bill giving effect to such enhancements as appear desirable; and will consider simultaneously the question of alterations to the assignments at present made to Local Government to compensate them for the loss of duty in respect of instruments for which unified stamps may be used. I am to point out, however, that the Government of India, as at present advised, anticipate very considerable practical difficulties in the way of assessing such compensation, seeing that it is unlikely that sufficient data will be forthcoming to enable them to calculate with reasonable accuracy the increase of revenue that may be ascribed to enhancements of duty on such instruments, independently of natural expansion."

Memorandum from the Finance Department No. 0/1032-A. dated 9th March 1922.

Resolution.—Copies of the letter from the Government of India should be forwarded to the Commissioner in Sind, the Commissioners of Divisions, and the Superintendents of Stamps, Bombay and Karachi, for favour of their opinion on the proposals contained in paragraphs 3-5.

2. The Chamber of Commerce, Bombay and Karachi, the Indian Merchants' Chamber and Bureau, Bombay, the Bombay Millowners' Association, the Millowners' Association, Ahmedabad, the Bombay Presidency Trades Association and the Native Piece-goods Merchants' Association, Bombay, should also be requested to favour Government with their views on the proposals.

By order of the Governor in Council,

SHAMRAO. D. MANKAR,

Under Secretary to Government.

T. 539.

13th June 1922.

To,

The Under Secretary to the Government of Bombay, Revenue Department,

BOMBAY.

Sir,

I am directed to send hereby views of my Committee regarding your letter of the 27th April 1922 No. 4584-3 on the subject of the proposed enhancement of the existing rates of stamp duty on instruments reserved for Imperial legislation.

2. My Committee have carefully considered this question and state their views without prejudice to their fundamental contention

that the taxation in this country has over-reached its limit and that retrenchment and not more taxation is the need of the day.

3. The instruments mentioned in para 3 of the letter of the Government my Committee would divide into two groups as follows:—

(a) Acknowledgment, Bill of exchange; Cheque; Policy of insurance; and Receipt.

(b) Share certificate; Delivery order in respect of goods; Letter of allotment of shares; Letter of credit; Promissory note; Proxy; and Shipping order.

The instruments have been grouped in the above manner keeping primarily their utility to the public in view. Thus group (a) consists of instruments, which are of supreme use and hence are necessary to all classes of people rich or poor. Group (b) is composed of instruments which are more or less used by business people. though even in this group demand promissory notes are much used by the middle and poor class people.

Group (a):—With regard to cheques in this group, my Committee in their representation to the Government of India, Finance Department, dated the 26th June 1919 recommended strongly "the abolition of one anna stamp duty on cheques which has, among other things, come in the way of this form of credit instruments helping to economise the general currency as it has done in several countries in Europe and America" Cheques have not yet attained to a great popularity in this country with the result that trade and industries have suffered thereby. This is the case not only with the mofussil but even with Presidency towns and the only expedient to popularise the circulation of cheques is to abolish one anna stamp duty. Even if this total abolition of stamp duty on cheques cannot be undertaken now in view of the present financial situation, my Committee beg to urge its reduction to half an anna. Proceeds from this will, my Committee think, more than make up the loss owing to the increased turnover of business and popularising those instruments of credit which will develop banking and economise the use of money.

My Committee would similary suggest reduction in duty on Bills of Exchange.

With regard to the other items in this group, my Committee are opposed to any enhancement for the general reasons urged by the Government of India in their letter.

5. Group (b):—With regard to the shipping orders and delivery orders any enhancement of duty on either of these instruments would operate to the restraint of trade while in the case of letters of allotment and letters of credit, the revenue derived from the existing duties is so small that no useful purpose would be served by any increases in that direction.

With regard to Promissory notes in this group and acknowledgements in group (b) my Committee believe it to be essential in the interest of poorer people to keep the present rate of duty upto Rs. 2,000 but a graduated scale somewhat on the following lines may be adopted for sums higher than this:—

From	Rs.	2001	to	Rs.	5000	...	Rs. 0-2-0
From	Rs.	5001	to	Rs.	25000	...	Rs. 1-0-0
From	Rs.	25001	to	Rs.	50000	...	Rs. 2-0-0
From	Rs.	50001	to	Rs.	100000	...	Rs. 5-0-0

Of the remaining instruments e. g. share certificates and proxies my Committee consider that the existing rate of duty may without much objection be doubled. With regard to share transfers my Committee wrote in their letter dated the 12th April 1921 No, T 710 to the Under Secretary to the Government of Bombay, Revenue Department that they did not approve of the proposal that action on the lines of Sections 77 and 78 of the English Finance Act of 1910 should be taken in the matter of affixing stamps to contracts in share transactions. My Committee still adhere to this view, and think that in the interest of trade and the general public no action should be taken in this matter.

I beg etc.

J. K. MEHTA

Secretary.

APPENDIX 37.

Bombay Sind Railway Connection.

BOMBAY SIND RAILWAY CONNECTION.

OFFICE OF THE ENGINEER-IN-CHIEF,

No. B. S. 219.

Mount Abu, Dated 6-6-22.

To,

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

Certain developments have re-opened the question of a Bombay Sind Railway Connection.

It is apparent that the important factor, that will decide whether such a Railway Connection is a practical proposition or not, is the estimate of through traffic that such a line will carry.

As the question of through traffic depends on trade development, the opinion of a trade association on this subject will naturally be of great value, and if figures in tons of anticipated traffic are given the value of such an opinion will be greater than any estimate I can make founded on figures collected by Mr. A. Hamid, my traffic officer.

2. I am corresponding on this subject with the Bombay and Karachi Chambers of Commerce and with the Millowners' Association Ahmedabad, and would also like a statement of opinion from your Chamber, giving figures if possible.

I therefore give below a short statement of the case as it stands.

3. The proposed broad gauge railway connection is a very old scheme. Eventually in 1907 the Government of India accepted the route Ahmedabad-Viramgam-Radhanpur North edge of Rann of Cutch-Badin-Hyderabad, length from Viramgam to Badin 270 Miles as being shorter and cheaper than a route through Cutch, though neither were expected to pay as commercial propositions.

The Secretary of State for India chiefly on financial grounds refused to sanction the re-inclusion of the scheme in the Railway Programme in 1909. Acceptance of the principle that the Hyderabad-Balotra section of the J. B. Ry. will eventually be converted to broad gauge opened up possibilities of fresh routes for this connection.

Various competing branch line proposals in the Palanpur Agency were put forward and the Railway Board felt that it was necessary to settle the alignment of the through broad gauge connection in order to deal with the branch line broad gauge and metre gauge proposals.

An officer also reported that the through traffic had been very much under-estimated in 1909.

Technical sanction to the Sukkur Barrage Scheme opened up fresh trade possibilities.

The above, I think, explains why it has become necessary to decide without delay the alignment of this proposed through broad gauge connection, though the railway programme does not allow for the construction of new lines by Imperial Funds in the next five years.

4. I have been ordered to survey and compare the following routes with any modifications that I may find necessary.

(a) The former accepted route—Viramgam-Radhanpur-North edge of Rann-Badin, length 270 Miles.

(b) Viramgam–Radhanpur–Nagar—parkar–Umerkot–Dhoro Naro Station J. B. Railway (or Chor).

(c) Viramgam-Radhanpur-Chitalwana-Barmer Station J. B. Railway length 202 Miles.

5. I give below the railway distances by the existing Metre Gauge Line and by route (a) & (c). Route (b) is very nearly the same though length as route (a) and the survey has not advanced to the stage at which it, route (b) can be stated accurately.

	Ahmedabad to Hyderabad (Sind)	Bombay to Karachi
	Miles.	Miles.
Existing M. G. route ...	571	991
Route (a) by Badin ...	372	792
Route (c) by Barmer ...	442	862

From the above you will see that proposed routes shorten the distance considerably besides saving time & loss in transhipment from broad gauge to metre gauge and back.

Route (c) is longer than route (a) but involves less length of construction and thus less capital outlay.

6. As regards prospects opened out by the Sukkur Barrage Scheme the area affected excludes the Fuleli Canal, and extends from Sukkur to a few miles south of Hyderabad, mean centre 100 Miles from Hyderabad and 210 Miles from Karachi.

In the Area affected the estimated quantities at present available for export, and to be available after thirty years for export are given below:—

At present available from District for export on average:—

Cotton	=	52,000	Tons.
Rice	=	90,000	Tons.
Wheat & Barley	=	21,000	Tons.
Oil Seeds	=	8,000	Tons.

Available in 30 years after completion of Sukkur Barrage:—

Cotton	=	195,000	Tons
Rice	=	227,000	Tons.
Wheat & Barley	=	823,000	Tons.
Oil Seeds	=	91,000	Tons.

The average distance from this area to Bombay is 210 Miles by Rail plus the sea trip, and by the proposed routes (a) & (c) will be 782 and 852 Miles respectively.

7. I understand that quite apart from export by sea, Bombay absorbs for local food and manufacture, a large tonnage of such goods, and I see from Railway traffic statistics that the railway lead into Bombay is from greater distances than the above in the case of imports from the United Provinces and the Punjab.

8. The points on which I would specially like your opinion are as follows:—

(a) The percentage increase that may be expected by the proposed routes on the existing through traffic by the long metre gauge route, Hyderabad to Ahmedabad.

(b) The tonnage of raw cotton, wheat etc. that may be expected to go from the Sukkur Barrage District by the proposed Railway to Bombay.

3. I should be much obliged if you would acknowledge this and let me know whether I may expect to receive the opinion of your Chamber.

Yours faithfully,

W. MACRAE

Engineer-in-Chief.

To,

Major W. Macrae, R, E.,

Engineer-in-Chief, The Bombay Sind Railway

Connection Survey, Mount Abu.

Dear Sir,

With reference to your letter of the 6th instant No. B. S.-219 I am directed by my Committee to say that the question of increase that may be expected by the proposed route on the existing through traffic depends mainly upon the conditions of rates etc. prevailing for transport by sea between Karachi and Bombay. They cannot pronounce any opinion on the tonnage of raw cotton, wheat etc. that may be expected to go from the Sukkur Barrage District by the proposed railway to Bombay.

Yours faithfully,

J. K. MEHTA,

Secretary.

APPENDIX 38.

Persian Tariff.

Director of Commercial Intelligence,

Bombay 9th June 1922.

Dear Purshottamdas,

I have been asked by the Government of India to ascertain Commercial opinion on the effect of the 1920 Persian Tariff, especially with regard to the import from India into Persia of cotton piecegoods, rice, wheat and sugar. I have been told to report as early as possible and am therefore asking you D. O. whether the Committee of the Indian Merchants Chamber & Bureau would wish to put in views for the Government of India. But it is rather a short notice and I thought perhaps that if the Chamber is holding a meeting to-morrow afternoon the matter might be brought up and if any one is interested I could have a talk with them early next week or they could put in any representations they liked.

Yours sincerely,

H. F. KNIGHT,

P. S. I see I have not explained very clearly. The position is that the 1920 Tariff (which is roughly 100 per cent greater than the 1903 Tariff) is in operation on all Persian Frontiers except the North. On the North Frontier the 1903 Tariff is working still. The result may be a handicap to trade from India, which is mainly this Persian gulf —or on the other hand the Indian imports may not compete with those from the North and the new tariff duties may be being passed on to the Persian consumer. I should be glad of opinions of any one interested.

19th June 1922

No. T. 569

To

H. F. Knight Esq., I.C.S.,

Director of Commercial Intelligence Departmet

BOMBAY,

Dear Sir,

I am directed to reply to your D. O. dated 9th instant addressed to Mr. Purshotamdas Thakurdas. The question referred to in your letter has been considered by a Sub-Committee of my Chamber with the assistance of a few merchants in direct touch with the Persian trade. The opinion of the Sub-Committee is that increase in the Persian tariff has not upto now affected direct trade with India. This is

because there is no trade in the North through trade routes being closed. As soon, however, as Russia settles down and normal conditions prevail the higher duties imposed on goods imported at Persian Ports in the South will militate against Indian trade.

Yours faithfully

J. K. MEHTA

Secretary.

APPENDIX 39.

Proposal to discontinue the publication of the annual Volume of Joint Stock companies and of the Land and River Borne trade of British India published by the Department of Statistics.

COMMERCIAL INTELLIGENCE DEPARTMENT, INDIA.

Bombay the 16th June 1922.

No. 1119

To

The Secretary, The Indian Merchants' Chamber & Bureau,

BOMBAY.

Dear Sir,

The Government of India have under consideration the revision and reduction of the publications issued by the Statistical Department and in connection with this the question has arisen whether it is necessary or advisable to continue the publication of the Annual Volume on "Joint Stock Companies in British India and in the Indian States of Mysore, Baroda, Gwalior Indore and Travancore.

2. At present the Department of Statistics issues monthly a summary showing the registration of companies during the month and giving the details of registrations etc from the beginning of the year to date. I attach for information a copy of the monthly Joint Stock Companies publication (which may be returned please).

3. In addition there is published yearly an Annual Volume which gives the information for the year and also gives names and particulars of all companies working in India. I attach a summary of the contents of this Volume which will indicate what the scope is.

4. I have been instructed by the Government of India to discover whether in the opinion of the Commercial Community of Bombay the Annual Volume is necessary. It is suggested that the monthly publication for the month of March which includes totals from the beginning of April of the previous year and these form a year's record, would suffice. In the March monthly publication there are:—

(*a*) abstract tables of Companies incorporated in the month of March.

(*b*) of all Companies incorporated in 12 months April to March compared with various preceding years.

(*c*) Abstract Statement of Companies that have gone into liquidation in the 12 months.

(*d*) Statement showing particulars of Companies incorporated in the month of March.

(*e*) Particulars of Companies that have gone into liquidation during the month.

5. It will be seen therefore that the March monthly statement gives statistical information which enables one to gather the progress of registration etc of Companies during the year but that for reference to any particular company it would be necessary either to refer to one of the Annual Volumes or to one of the Monthly Reports for the month in which that Company was either registered or dissolved.

6. The Annual Report on the other hand gives particulars, names, capital etc of all Companies working in India and it is possible

from this Annual Report to discover certain amount of information about any Company that was registered up to that year. It is obvious however that the publication of this book of 345 pages is costly and laborious and, if it would be sufficient from the point of view of the Commercial Community that particulars as regards individual companies should be recorded only when they are registered or dissolved it would be possible to provide the other information in the ordinary monthly issue.

7. I do not know to what extent the Annual Report is used as a book of reference in business. If it is only very occasionally referred to or, as happens to many publications, never utilised, there would presumably be no harm in ceasing its issue. I should therefore be gratfeul if I might be informed as to whether the Annual Report is considered necessary and useful.

8. Further it is probable that neither the Annual Report nor the monthly Statement give all, or the most useful, particulars which are required for business purposes. For intance in table (8) of the Annual Report, the list of Companies limited by shares in India at work at the end of the year, it is likely that information as to the principal place of business or the address of the registered offices or possibly the names of the Managing Agents, or similar information would be far more valuable than the "objects of the Companies", especially when they are given as "printing and publishing" in the case of a Company which in its title describes itself as a Printing Company. I should therefore be very grateful if I might be given an opinion not only as to the desirability of the continuation of the Annual Report but also as to what information should be either omitted from or added to both the Annual and the monthly issues.

9. I should be glad if I might receive an early reply to this letter as this office will shortly be closed and I have to report to Government of India before then.

Yours faithfully,

H. F. KNIGHT,

Director of Commercial Intelligence.

Note on the contents of the Annual Volume published by the Government of India on 'The Joint Stock Companies in British India and in Indian States of Mysore, Baroda, Gwalior, Indore and Travancore.

	Pages
Introductory Note	i–v
Charts—	
1. Number of Companies (incorporated in India at work at the end of each official year.	Frontice piece
2. Authorised Capital and paid-up Capital of. Companies (incorporated in India) at work at the end of each official year.	
3. Number of New Companies incorporated in India in each official year.	vi–vii
4. Authorised capital of New Companies incorporated in India in each official year.	
5. Paid-up Capital invested in Cotton and Jute Mills Companies (incorporated in India) at work at the end of each official year	
6. Paid-up Capital invested in Tea Planting and Coal-mining Companies (Incorporated in India) at work at the end of each official year.	

Part. 1—Summary Tables.

Tables—

No.

1. Number of Companies at work in India, and their authorised and paid up Capital, at the end of each year from 1895-96 to 1919-20. 3

2. Number of Companies, and their paid-up Capital, in each Province, and in certain Indian States, at the end of each year from 1910-11 to 1919-20. 3

3. Number, Description, and Capital of Companies at work in India at the end of 1919-1920 4-23

4. Number and paid-up Capital of each Class of Companies at work in India at the end of each year from 1895-1895 to 1919-20 14-15

5. Number, Description, and Capital of new Companies registered in India during the year 1919-1920 16-23

6. Number, Description and Capital of Companies which ceased to work in 1919-1920. 24-27

7. Number, Description, and Capital (in sterling) of Companies incorporated elsewhere than in India but working in India in the year ending 31st March 1920 28-32

(The summary tables give statistical information in comparison mainly with past years but do not make any reference to the particular Companies, and merely indicate the general position in India as regards establishment number finance etc, in totals)

Part II-Detailed Tables.

8. List of Companies limited by shares in India at work on the 31st March 1920.

(1) British India–
A.–Public Companies 33-147
B.–Private Companies 148-181

(2) Indian States–
A.–Public Companies 182-190
B.–Private Companies 190-191

In this list Companies are classified by name under the various kinds into which they fall and the headings in this table are (1) name of company (2) when registered (3) Capital-Authorised, Subscribed and paid up and (4) objects of Company.

9. List of Companies limited by Guarantee not having a share capital in India at work on 31st March 1920. 192-197

In this Table the headings are (1) Classification and the name of the Company (2) date of Registration (3) number of members and (4) Objects of Company. These Companies are such as Agricultural Banks, Provident Funds Clubs, Labour Associations, Merchants Associations, Benevolent Associations etc.

10. List of Associations not for profit in each province in British India at work on the 31st March 1920 198-201

The Headings here are (1) name of the Association (2) date of registration (3) Objects of Association. Under this head we find Chambers of Commerce, Cremation Societies, Clubs, Merchants Associations, Law Societies, Rate payers Associations etc.

11. List of Companies incorporated elsewhere than in India but working in India in the year ending 31st March 1920.

(1)	British India.	
	A.–Public Companies	202-220
	B.–Private Companies	221-223
(2)	Indian States.	
	A.–Public Companies	224-225

The headings to those are (1) name of Company (2) Capital, authorised, paid up (3) Debentures (4) Objects of Company.

12. List of New Companies registered in India during the year ending 31st March 1921.

(1)	British India	
	A.–Public Companies	226-266
	B.–Private Companies	267-282
	C.–Companies limited by Guarantee	283
(2)	Indian State	
	A.–Public Companies	384-287
	B.–Private Companies	287

The headings are (1) name of the Company (2) when registered (3) Capital (Authorised, Subscribed, paid up) (4) Objects of the Company.

Appendix.–

A.–Abstract Statement of Companies limited by shares in the Travancore State at work on the 15th August 1920 . 289

B.–List of Companies limited by shares in the Travancore State at work on the 15th August 1920. 289–296

C.–List of Associations not for profit in the Travancore State at work on the 15th August 1920. 297

Index to Companies 299-345.

D. O. No. 1869.

Director of Commercial Intelligence.

New Customs House,

Bombay, 23rd June 1922.

My dear Purshotamdas,

* * * * * * * *

2. The position (with regard to the Annual Volume of Inland Trade-Railway and River borne) is as follows :—

The Annual Volume is a book of some 200 pages and contains statistics showing the movement of internal trade in India. The figures are all based on the Railway invoices and the statistics are extracted from the invoices in the Railway Audit Offices by staffs of clerks paid for by the various Provincial Governments. The cost per annum for these clerks is something between Rs. 90,000/- and a lakh a year. The various Railways send their figures to Calcutta or to the Government Examiner of Railway Accounts in Bombay, in whose office there is another staff of clerks who compile the statistics and then send them for completion to the Director of Statistics, Calcutta. The cost of this staff in the Government Examiners office, has hitherto been borne by the Government of Bombay* but I understand that it is likely that owing to reasons of financial economy the staff is to be retrenched (the clerks are

(* Bombay pays about Rs. 60,000 p. a for these statistics.)

now under notice of dismissal). The Government of India have suggested simplification of these Inland Trade Statistics by reducing the number of internal blocks to which movement of trade is shown and also by reducing the number of commodities whose movement is watched. I am doubtful whether this will effect an appreciable saving. It is necessary to check all invoices whether one is attending to any one commodity or 10 commodities. Further the Government of India suggested that they should publish, instead of an Annual Volume, a monthly pamphlet but it is at present impossible to obtain the statistics from the Railways except from 5 to 6 weeks late, and I cannot think that it would be possible to publish a monthly pamphlet under probably two months late. To my mind it is doubtful whether a Monthly pamphlet two months late would be of much use to anybody.

3. Economy has to be effected in the Statistical Department and I personally am inclined to think that the economy effected by simplification of the trade statistics would be hardly worth while and that it would be better, unless there is a strong demand from the Commercial community for their retention, to cease their publication entirely. In any case I am inclined to think that the collection of these statistics will with the development of Provincial Autonomy necessarily become an Imperial charge entirely, as at any time any province may refuse to continue their collection. What therefore I want to get at, is the general opinion as to the value of these statistics whether in fact they are actually of imperative necessity in commercial life. Under present financial conditions it is difficult to afford any luxuries in the way of extra statistics but of course should these Inland Trade statistics be of vital necessity for trade it would be wrong to economize on them. My own impression is, (I will admit, I am quite possibly wrong) that actually in business for practical purposes the Inland Trade Statistics are never utilised. Would you let me know what you and your Committee think in the matter, but please remember that economy has to be effected in the Statistical Department somewhere and unless the simplification will show a considerable economy it will not carry us very far.

4. An alternative which has presented itself to me though I do

not know whether Government would consider it, is the publication of somewhat simpler statistics of arrivals of merely the more important commodities at the more important towns. I am inclined to think that with a little organization such statistics would be published very promptly, even weekly, but I cannot say whether it would be of sufficient value to the Commercial community to make their collection worth while. Perhaps it might be possible to make some arrangement whereby such bodies as the Chamber and Bureau, and Commercial Associations generally would contribute towards the cost of these statistics which would at any rate ensure that only statistics of value were collected.

Yours sincerely,

H. F. KNIGHT,

Hon'ble Mr. Purshotamdas Thakurdas, C. I. E.,

Indian Merchants Chamber and Bureau,

Bombay.

Dated the 27th June 1922.

No. T. 611.

To,

H, F. Knight Esq., Director of Commercial Intelligence,

BOMBAY.

Dear Sir,

With reference to your letter of the 16th instant No. 1189 I am directed by my Committee to send hereby their opinion. They have no objection to the discontinuance of the Annual publication relating to Joint Stock Companies provided the March issue of the monthly publication contains the interesting summary published in the annual report as an introduction and the charts accompanying the same. The monthly publication should state clearly the companies which have ceased to exist or have ceased working so that the Commercial community may have always an idea as to what Joint Stock Companies are actually at work in the country at a particular time.

With reference to your latter of 23rd instant D. O. No. 1869 addressed to the President of this Chamber my Committee cannot approve of the suggestion of discontinuing the publication of the annual volume of Inland Trade (Railway and River Borne). So far as my Committee are aware this is the only publication giving information with regard to inter-provincial trade. Even though a large number of merchants and traders may not be making much use of this publication, it is extremely useful for the purpose of statistics and information regarding Inland trade.

Yours faithfully,

J. K. MEHTA.

Secretary.

APPENDIX 40.

Lascars' Behaviour on Board S. S Egypt.

Telegram from Chamber dated 19th June 1922

To,

Honorable Mr. Innes, Member Department of Commerce, Simla, Regarding Egypt disaster and allegations against Lascars' behaviour Committee Indian Merchants' Chamber think it imperative that the interests of Lascars should be safeguarded by appointment of suitable Indians of recognized standing on Committee of Enquiry. I have no doubt Government of India must have done the needful before now but wire this in case this has escaped your notice, Purshotamdas Thakurdas.

DEPARTMENT OF COMMERCE.

Simla, the 17th of June 1922.

Dear Mr. Purshottamdas Thakurdas,

The Hon'ble Mr. Innes has asked me to reply to your telegram of yesterday and to inform you that we have cabled to the Secretary of State suggesting the appointment of at least one Indian of suitable

standing to the Committee of Enquiry into the loss of the "Egypt." The final decision does not of course lie with the Secretary of State for India, but we have asked him to bring this suggestion to the notice of the Board of Trade for their favourable consideration.

Yours sincerely,

H. A. F. LINDSAY.

To

Purshottamdas Thakurdas Esquire, C.I.E., M.B.E., M.L.C.,
Malabar Castle, Ridge Road
Malabar Hill, Bombay.

APPENDIX 41.

Indian Shipping.

No. 1636.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

Delhi, the 28th March 1922.

To

The Secretary to the Indian Merchants' Chamber and Bureau,
BOMBAY.

Development of Indian Shipping.

Sir,

I am directed to refer to your letter No. T. 1569, dated the 16th December 1921, offering various suggestions for the development of Indian shipping and to invite your attention to a Resolution which was moved by Sir Sivaswamy Iyer and adopted by the Legislative Assembly on the 12th January 1922, in the form shown in the copy enclosed.

2. In view of this Resolution, the Government of India have agreed to appoint a Committee to examine the questions referred to in it and these will include *inter alia* the various suggestions made by you.

3. With regard to your suggestion that the mail contract with the Peninsular and Oriental Steam Navigation Company, Limited, which was due to terminate on the 31st January 1924, but has now been extended for one year longer, should not be renewed without giving the various commercial associations and Chambers of Commerce an opportunity of examining its terms, I am to point out that it is not possible to accept this suggestion as the form of tender for the contract has already been approved by the Government of India and will be shortly issued by the British Post Office. The approval of the form of tender can not be delayed by the Government of India long enough to permit of a reference to Chambers of Commerce in India, since its early publication is necessary in order to give companies tendering sufficient time to acquire additional ships and to make the requisite arrangements in the event of their tenders being accepted. The procedure followed by the Government of India thus affords Indian shipping firms an opportunity for competing for the contract, and the tenders submitted by them will receive due consideration.

4. In this connection I am also to invite your attention to Appendix XI of the Annual Report on the Posts and Telegraphs of India for the year 1920-21, which shows to what extent mail contracts are already being entrusted to Indian Companies.

I have etc.

H. A. F. LINDSAY.

Secretary to the Government of India.

Copy of Resolution moved by Sir S. S. Iyer.

This Assembly recommends to the Governor General in Council that a committee including experts and non-official Indians be appointed to consider what measures can usefully be taken

(i) for the liberal recruitment of Indians as Deck or Executive Officers and Engineers in the Royal Indian Marine;

(ii) for the establishment of a Nautical College in Indian waters for the purpose of training Executive Officers and Engineers of ships;

(iii) for ensuring the entertainment of Indian apprentices for training as such officers and engineers, in the ships owned by shipping firms that enjoy any subsidy or other benefits from Government on any account, and for the creation of an adequate number of State scholarships for providing instruction in the Nautical Colleges and training ships, in England, pending the formation of a Nautical College in India;

(iv) for the encouragement of ship-building and of the growth of an Indian Mercantile Marine by a system of bounties, subsidies and such other measures as have been adopted in Japan;

(v) for the acquisition of training ships by gift from the Imperial Government or otherwise, and

(vi) for the construction of the necessary dockyards and engineering workshops in one or more ports.

T. 873.

21st August 1922.

To,

The Honorable Mr. H.A.F. Lindsay Esq. C.B.E.;I.C.S;.

Secretary to the Government of India, Department of Commerce,

DELHI.

Sir,

With reference to the correspondence ending with your letter of the 28th March 1922 No. 1636 my Committee beg to suggest that the following should be specifically included among the terms of reference of the committee to be appointed to examine the questions relating to shipping.

(a) Deferred Rebate, (b) Rate War, (c) Reservation of the Indian coastal traffic for Indian shipping.

I beg etc.,

J. K. MEHTA.

Secretary.

APPENDIX 42.

Commercial Treaties with Foreign Countries

Dated the 14th December 1921.

No. T.-1555

To,

The Secretary to the Government of India, Commerce Department

DELHI.

Sir,

With reference to the Resolution No. 5268 dated the 29th August 1921, of the Government of India, Commerce Department, relating to Fiscal Autonomy, I beg to inquire how far, if at all, commercial treaties or understandings with the Governments of the countries outside India are still in force and will have to be abided by whenever Indian Legislature exercises its autonomous powers to revise her fiscal system.

I beg etc.,

S. B. DAVE,

For Ag. Secretary.

No. 585.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

Delhi, the 27th January 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Bearing of Commercial Treaties on the Fiscal Autonomy of the Government of India.

Sir,

I am directed to refer to your letter, No. T/1555, dated the 14th December 1921, and to say that, in view of the world wide dislocation of foreign relations caused by the war, it would be a matter of considerable difficulty to produce on exhaustive and up-to-date list of the commercial treaties or understandings between His Majesty's Government and foreign countries to which India is a party.

2. An outstanding feature in such treaties and agreements is a provision to the effect that most favoured nation treatment will be granted. This would only prevent the Government of India from discriminating against the products of a nation with which such a treaty had been concluded and from granting more favourable treatment to other nations. Moreover, all these treaties contain clauses allowing for their denouncement after a due period of notice. In the unlikely event of the Government of India (including the Legislature) deciding, in the exercise of their fiscal powers, that it was necessary to discriminate against the products of any particular nation, it would be necessary for them first to secure the denouncement of any clause in any treaty which would stand in the way of such discrimination.

I have, etc.

H. A. F. LINDSAY,

Secretary to the Government of India

T. 119.

21st February 1922.

To,

The Secretary to the Government of India,

Department of Commerce,

DELHI.

Sir,

With reference to your letter No. 585, dated 27th January 1922, I am directed by my Committee to say that with the organisation at the disposal of Government there should not be any difficulty at all in the compilation of "an exhaustive and an upto-date list of the commercial treaties and understandings between His Majesty's Government and foreign countries to which India is a party" My Committee respectfully submit that a full and exhaustive disclosure of India's rights and obligations under those treaties is absolutely necessary in order that the Indian public may truly judge of the soundness or otherwise of the statement made by the Right Honourable the Secretary of State in Parliament from time to time that India has acquired full fiscal autonomy. The necessity of such a publication becomes all the greater in relation to the inquiries of the Indian Fiscal Commission which is gathering evidence on which to base its final recommendations to the Government of India regarding the future fiscal policy of the country. My Committee will also be glad to know whether the consent of the Indian Legislature was obtained to the commitment of the country to a policy of the "most favoured nation treatment" which the British Government seems to have accorded to certain nations. My Committee will be glad to know also if Government propose to intimate to the Secretary of State that India be not made a party to any such treaty arrangements in future until the Indian Legislature has had an opportunity of pronouncing on the same.

My Committee further hope that the Government of India will use all the means at their disposal speedily to compile as complete a list as possible of all the commercial treaties and undertakings to which India is a party, and favour this Chamber with a copy of the same.

I beg etc.,

S. M. MUZUMDAR.

Ag. Secretary.

No. 1211.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

Delhi the 2nd March 1922.

To

The Secretary, The Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

In reply to your No. T. 119 of the 21st February, I am directed to say that your letter shows a certain misapprehension of the possible bearing of any existing commercial treaties of Conventions on the exercise of India's fiscal autonomy. The only actual restriction which at present exists is contained in a Convention with France dating from 1903 by which the Government of India agreed to restrict the import duty on the comparatively unimportant items of vinegar in casks and green copperas to 2½% in return for preferential treatment for products such as coffee and tea. Otherwise, the Government of India have no commercial treaties with any other country specifically limiting their rights to impose any import or export duties they please, except those treaties which secure to certain countries most favoured nation treatment; that is to say, that the Government of India cannot discriminate against their products by imposing higher rates on them than on imports from other countries without first denouncing the treaties. It will thus be seen that unless the Fiscal Commission suggests preferential or retaliatory treatment for any particular country, these treaties will not affect any proposals which that Commission may make.

2. In reply to your request that the Legislature may be consulted before any further commercial treaty is made, I am to say that it appears unnecessary to raise this question until an occasion arises for its consideration. As at present constituted, the Indian Tariff is based on revenue considerations alone and the question is therefore purely hypothetical. If the Fiscal Commission should recommend a policy of protection, ample opportunity will arise for considering

the international effects of the adoption of such a policy and there is no reason to anticipate that its adoption will be fettered in any way by any international obligations.

I have etc.

H. A. F. LINDSAY,

Secretary to the Government of India.

T. 517.

8th June 1922.

To,

The Secretary to the Government of India,

Commerce Department,

SIMLA.

Sir,

With reference to your letter No. 1211, dated the 2nd March 1922. I am directed by my Committee to urge the Government of India to give further consideration to the following two points:

(1) My Committee feel that the Government of India should have previously invited the opinion of the Indian commercial public before finally ratifying the treaties which secured to certain countries a "most favoured nation treatment." As those treaties, however, are now accomplished facts, my committee have nothing more to say. But they consider that it would be advantageous to publish the full text of these treaties, so that the Indian commercial public may be in a position to know the exact extent of its commitments with other countries in the matter of the " most favoured nation treatment " which they might be enjoying under these treaties. If, however, the Government of India do not see their way to publish the text of these treaties for general information, my committee request that they be favoured with a copy for their own information, and pending the preparation or publication of these my committee would feel obliged if Government could furnish them with a complete list of the countries that enjoy " the most favoured nation treatment" from India.

(2) With regard to my Committee's request that the Legislature should, in future, be consulted before any such treaties are made you observe in para 2 of your letter that "it appears unnecessary to raise this question until an occassion arises for its consideration." My Committee respectfully beg to submit that they cannot reconcile themselves with this view. What my Committee wanted was an assurance from the Government that in future whenever an occassion arose for entering into a commercial treaty with any foreign Government no commitments should be made without previous approval of the Legislature.

I beg etc.,

J. K. MEHTA,

Secreary.

No. 3108.

Simla, the 19th June 1922.

GOVERNMENT OF INDIA.

DEPARTMENT OF COMMERCE.

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

19, Bank Street, Fort,

BOMBAY.

Commercial treaties with foreign countries etc.

Sir,

I am directed to acknowledge the receipt of your letter No, T.-517, dated the 8th June 1922, in which your Committee urge (1) that the full text of the commercial treaties between His Majesty's Government and foreign countries to which India is a party should be published for the information of the commercial public, or that in the alternative your Chamber should be supplied with a copy, and (2) that in future whenever an occasion arises for the conclusion of a commercial treaty with any foreign Government, no commitments should be made without the previous approval of the Legislature.

2. As regards (1), I am to say that those commercial treaties which have been ratified are already published in the Treaty Series of Parliamentary Papers, which can be obtained from His Majesty's Stationery Office. They will also be found in a convenient form in the unofficial "Collection of Treaties and Conventions and Reciprocal Regulations subsisting between Great Britain and Foreign Powers so far as they relate to Commerce and Navigation" edited by Sir Edward Hertslet. K.C.B., copies of which can be purchased by your Chamber if they think it worth while. As the treaties, which cover the whole range of commercial activities, comprise 21 volumes, and as many of them will have to be recast as a result of the war, the objections to republication would appear obvious, especially in the present financial stringency.

2. I am to add, however, that as promised in the debate in the Council of State on the 22nd March 1922 on the Resolution moved by the Hon'ble Sir Maneckji Dadabhoy, the Government of India are preparing a summary showing the existing treaties, reprinting those which are of interest to India. A copy of the summary will be supplied to your Chamber in due course.

3. With reference to (2), I am to point out that it is clear from the context of this Department's letter No. 1211, dated the 2nd March 1922 that the words "until an occasion arises for its consideration", mean that since at present, India does not discriminate between the products of any nation, the conclusion of a treaty with a most-favoured clause secures to this country an advantage for which no special concession is given in return. If in future the Legislature decides in the exercise of its fiscal powers to adopt another policy the position with regard to the continuation of existing treaties and conclusion of future treaties will necessarily be altered, but the Government of India do not propose to anticipate that situation until it arises. In any case it is obvious that the conclusion of any treaty contemplating differential treatment of any foreign country or countries would involve tariff legislation and therefore a reference to and decision by the legislature.

I have etc.,

H. A. F. LINDSAY,

Secretary to the Government of India

APPENDIX 43.

Indian Industrial and Commercial Congress.

INDIAN INDUSTRIAL AND COMMERCIAL CONGRESS

30th May 1922,

To

The Secretary, The Indian Merchant's Chamber and Bureau,

BOMBAY.

Dear Sir,

You are aware that the Indian Industrial Conference which was doing very useful work until 1916 was amalgamated with the Indian Commercial Congress under the style of the Indian Industrial and Commercial Congress as a result of the resolution passed at its Delhi Sessions in December 1918 entrusting the Standing Committee for the year with the onerous task of overhauling its constitution with a view to its complete re-organization and the improvement of its driving Capacity. The chief object of amalgamating these two institutions was to unite their forces, to strengthen their resources and to focus the views of the public on all matters relating to trade, industry and commerce of the country. The first Session of this new Institution was held in January 1920 at Bombay and it was decided to hold the next Session at Madras. But for some reason or other our Madras friends have not yet been able to arrange to hold the Session. It may be due to the political unrest during the last two years. But the result has been that the financial condition of the congress is going from bad to worse and the Institution is likely to die, unless something is done to revive it.

It will be readily recognised that there is a very urgent need of some central Institution like the Congress which can deal with problems industrial, commercial and economic affecting the country as a whole. There are many questions which the Indian Chambers of Commerce can tackle only in close co-operation. For instance, problems of Railway Administration, Currency and Exchange. Purchase of Stores, Development of Indian shipping etc. cannot be

successfully tackled by efforts of a single institution however powerful as the united efforts of a few ones. and for this purpose the agency of an All-India Central Institution is indispensable. I had recently an opportunity of studying at close hands the working of continental and British Chambers of Commerce and I found that in every country there were associations of Chambers of Commerce focussing as it were the activities of individual Chambers of Commerce. Thus the Association of British Chambers of Commerce is a very powerful body holding quarterly meetings and keeping up the activities of the Chambers of Commerce throughout the year. In India too the British Chambers of Commerce have got the Associated Chamber of Commerce which is holding session every year since the last three years.

Looking to the present industrial, commercial, and financial condition of the country, it is vitally essential that the organisation like the Indian Industrial and Commercial Congress should be powerfully revived and to this end your co-operation is desired.

Two things are mainly necessary for the present; one is continuous activities throughout the year from a central Office on behalf of all the Chambers of Commerce and the other is to have a joint conference of all the Chambers of Commerce. But these ends can be secured only if there is a financial backing up. I am, therefore, to request you to let me know if your Chamber will be pleased in view of the national interests involved to contribute some amount every year to the up-keep of the office and if so what amount.

I am trying to arrange for an early Session of the Congress at some place but for this an unanimous moral support is necessary. I need not tell you that the Congress has done useful work in the past by issuing useful publications for which there is alwavs very big demand. All this work will unfortunately have to be stopped if there is no response forth-coming. The following is the list of publications :

Directory of Indian Goods and Industries,

Directory of Technical Institutions in India;

Guide to Modern Machinery

An early and sympathetic reply will be greatly welcome.

Yours faithfully,

J. K. MEHTA.

Hon. Secretary.

APPENDIX 44.

Assimilation of the list of articles in the Schedule to the Carriers' act to that contained in the Second Schedule of the Railway Act

No.5194-G.

Revenue Department, Secretariat Fort, Bombay.

Dated the 7th June 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject—Assimilation of the list of articles in the schedule to the Carriers Act to that contained in the second schedule to the Railways Act.

Sir,

I am directed by the Governor in Council to forward copies of the letter from the Government of India, Department of Commerce, No. 1901 dated 11th April 1922 and its accompaniments on the subject noted above, and to request that this Government may be favoured with the views of your Chamber on the proposals contained in the letter from the Government of India.

I have etc.,

A. E. SERVAI,

For Under Secretary to the Government of

Bombay, Revenue Department.

No. 1901.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

Simla, the 11th April 1922.

To

The Chief Secretary to the Government of Bombay,

Assimilation of the list of articles in the schedule to the Carriers Act to that contained in the second schedule to the Railways Act.

Sir,

I am directed to invite attention to Section 3 of the Indian Carriers (Amendment) Act, 1921 (Act XIII of 1921) by which power was taken for the Governor-General in Council to add, by notification in the Gazette of India, to the List of articles contained in the schedule to the Carriers Act, 1865 (Act III of 1865). No addition to the schedule has so far been made in exercise of this power, but a representation has now been received from the Agents, Rivers Steam Navigation Company, Limited, and the Managing Agents, India General Navigation and Railway Company, Limited in which they ask that the articles enumerated in the Schedule to the Indian Railways Act, 1890, should be incorporated in the Schedule to the Carriers' Act. A copy of the Agent's letter is enclosed for information.

2. The Government of India are inclined to accept the principle underlying the proposal. They are of opinion that as by far the greater part of the carrying traffic is conducted by railways, it is desirable that the two Schedules should correspond as closely as possible with each other. The Carriers (Amendment) Act 1921 does not admit of any alteration to the existing wording of the Schedule which forms part of the principal Act. They, accordingly, propose to add to the Schedule the articles mentioned in the list below. They also propose in future to include any additions that may be made from time to time to the list of articles contained in the Second Schedule to the Railways Act.

3. I am to enquire whether His Excellency the Governor in Council sees any objection to these proposals.

I have etc.

J. B. TAYLOR,

Under Secretary to the Government of India.

Proposed additions to the list of articles contained in the Schedule to the Carriers Act.

(*a*) Art pottery and all articles made of marble. (*b*) Furs. (*c*) Government securities (*d*) Opium (*e*) Coral (*f*) Musk, Itr, Sandal-wood oil and other essential oils used in the preparation of itr or other perfumes (*g*) Musical and Scientific instruments (*h*) Feathers (*i*) Marcotic preparations of hemp (*j*) Crude India-rubber (*k*) Jade, Jade-stone, and amber (*l*) Gooroochand or Gooroochandan (*m*) Cinematograph films and apparatus (*n*) Zahir Mohra Khatal.

No. R. S. 4874.

Rivers Steam Navigation Coy., Limited.

2, CLIVE CHAT STREET,

Calcutta, the 8th November 1921.

To,

The Secretary to the Government of India,

Legislative Department,

DELHI.

Sir,

The Carriers (Amendment) Act XIII of 1921.

We have the honour to draw your attention to the fact that the Gazette of India dated 1st October 1921 (wherein it is notified that His Excellency the Governor General had given his assent to

the above Act) makes no mention of the new and amended list of articles contained in the Schedule to the Act. We would enquire if His Excellency in Council has added to the list of articles and if not we solicit your drawing attention to the matter. The articles as enumerated in the Schedule to the Railway Act IX of 1890 are as follows, and their incorporation in Act XIII of 1921 will bring all carrying administrations into line :—

(*a*) Gold or Silver, coined or uncoined, manufactured or unmanufactured. (*b*) Plated articles. (*c*) Cloths and tissue and lace of which gold or silver forms part, not being the uniform or part of the uniform of an officer, soldier, sailor, police officer, or person enrolled as a volunteer under the Indian Volunteers Act, 1869, or of any public officer, British or Foreign, entitled to wear uniform. (*d*) Pearls, precious stones, jewellery and trinkets. (*e*) Watches, clocks, or time-pieces of any description. (*f*) Government securities. (*g*) Government stamps. (*h*) Bills of exchange, hundies, promissory notes, bank notes, and orders or other securities for payment of money. (*i*) Maps, writings, and title deeds. (*j*) Paintings, engravings, lithographs, photographs, carvings, sculpture and other works of art. (*k*) Art pottery, and all articles made of glass, China, or marble. (*l*) Silks in a manufactured or unmanufactured state, and whether wrought up or not wrought up with other materials. (*m*) Shawls. (*n*) Lace and furs. (*o*) Opium. (*p*) Ivory, ebony, coral, and sandal wood. (*q*) Musk, Itr, Sandal wood oil, and other essential oils used in the preparation of Itr or other perfumes (*r*) Musical and scientific instruments. (*s*) Feathers of all kinds. (*t*) Narcotic preparations of hemp, such as gunja, charas, Bhang, &c., (*u*) India-rubber crude. (*v*) Jade, Jadestone and Amber. (*w*) Gooroochand or Gooroochandan. (*x*) Cinematograph films and apparatus. (*y*) Zahir Mohra Khatai. (*z*) Any articles of special value which the Governor-General in Council may by Notification in the Gazette of India, add to this Schedule.

We have etc.

MacNeills Company,

Agents, R. S. N. Company, Limited.

T 740

To,

Rao Bahadur Shamrao D. Mankar,

Under Secretary to the Government of Bombay.

Revenue Department,

BOMBAY.

Sir,

With reference to your letter of the 7th June 1922, No. 5194-G., I am directed to send hereby the views of my Committee. They have felt for a long time the necessity of enforcing closer responsibility on the carrier such as is enforced in the United Kingdom under the Carriers' Act and Common Law. The new Schedule drafted by the Government of India has met with the approval from the members of my Committee; but up to this time they have not received any new suggestions from the general body of our members. It is, however, hoped that the arrangements made by the Government will be sufficiently elastic to permit of any additions to this schedule which may be suggested by the trade from actual experience of the working of the new arrangement.

I beg, etc.,

J. K. MEHTA,

Secretary.

APPENDIX 45.

Supply of a Motor Car to the Chairman of the Bombay Port Trust.

3rd May 1922.

T.-378.

To

The Secretary to the Government of Bombay, Marine Department,

BOMBAY.

Sir,

I am directed by my Committee to draw the attention of the Government to the interpellation by Mr. G. B. Trivedi, M.L.C., at the last Sessions of the Bombay Legislative Council and the reply of the Government thereto regarding the supply of a motor car to the Chairman, Bombay Port Trust.

My Committee would be glad to know what steps Government propose to take regarding disposal of the car and also as to who will bear the loss if any on it.

They will be much obliged if this information is sent to them at an early date,

I beg etc.

J. K. MEHTA.

Secretary.

No. 380-M.

Marine Department, Secretariat, Fort, Bombay,

Dated the 14th June 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject:—Supply of motor car to the Chairman, Bombay Port Trust.

Sir,

With reference to your letter No. T. 378, dated the 3rd May 1922 and subsequent reminder I am directed by the Governor in Council to ask you to apply to the Port Trust for any information you may require on the subject referred to in your letter.

I have etc.

S. N. ZIMAN.

Deputy Secretary to the Government of Bombay,

Marine Department.

T.-604

26th June 1922.

To

The Secretary to the Government of Bombay; Marine Department,

BOMBAY.

Sir,

I am directed to acknowledge the receipt of your letter dated 14th instant No. 380-M asking my Committee to refer to the Port Trust for information in connection with the subject matter of correspondence. My Committee are unable to understand why they are asked to refer to the Port Trust for information when the Government gave the decision in the matter and refused the sanction of the purchase of the Motor car by the Trustees. My Committee beg to draw your attention to their letter dated 3rd May 1922 No. T-376 wherein they asked "What steps Government propose to take regarding disposal of the car and also who will bear the loss, if any on it-" It will be thus seen that my Committee have asked certain information which can only be available from the Government. With due reference to His Excelency the Governor-in-Council my Committee beg, therefore, to point out that this is hardly a matter on which they can approach the Port Trust. They submit that only the Government of Bombay can reply to the enquiry contained in my previous letter to you.

They hope that taking this into consideration Government will be pleased to send a reply to my letter No. T-378 dated the 3rd May 1922 addressed to you.

I beg etc.

J. K. MEHTA.

Secretary.

No. 380-M.

Marine Department.

Poona, 24th July 1922.

To

The Secretary, Indian Marchants' Chamber and Bureau,

BOMBAY.

Sir,

In reply to your letter dated the 26th June, 1922, in which you press for a reply to your letter of the 3rd May, 1922, on the subject of a motor car purchased by the Trustees of the Port of Bombay, I am directed to request that the attention of your Chamber may be invited to the fact that a former president of your Chamber is now a nominated member of the Port Trust. Government therefore do not appreciate the difficulty under which your Chamber appears to labour in obtaining the information which it desires to have.

2. I am to add that your letter of the 3rd of May, 1922, was in the nature of a supplementary question to a question put by Mr. G. B. Trivedi, M. L, C., in the Legislative Council. A supplementary question has been put by him on the same lines as the enquiry now made by the Chamber, and the answer which will be given to him will be at the disposal of the Chamber in the same manner as the former answer was.

I have etc.

J. C. KER.

Secretary to the Government of Bombay.

APPENDIX 46.

Malegaon Levy.

T-628.

3rd July 1922.

To,

The Secretary to the Government of Bombay, Home Department,

BOMBAY.

Sir,

The attention of my Committee has been drawn to notification No. 152 published in the Bombay Government Gazette dated 8th June 1922 Part-I. It is stated therein that the balance of the combined charges after the amount recovered from persons of class first has been deducted, shall be recovered on behalf of Momins-adult weavers of Malegaon, from both Hindoo and Mahomedan shop-keepers of Malegaon dealing in saris and yarn and who shall pay every year upto 31st May 1923 beginning from 1st July 1921 at a rate calculated by the District Magistrate etc.

2. My Committee may say at the outset that this letter has nothing to do with the principle underlying the penatly imposed by the Government on the inhabitants of the town of Malegaon.

3. There are certain important aspects of the order to which my Committee think the attention of Government should be drawn with a view to find out if these have been considered by Government in the same light as they appear to my Committee.

4. The first point is that Hindoo and Mahomedan shop-keepers are placed in the position of tax-gatherers and my Committee are not sure if there is any precedent for this. My Committee are aware that the millowners of Ahmedabad were put in a similar position in the year 1919 but the position of millowners employing labour and of merchants dealing with weavers is hardly analogous.

5. The second and perhaps the most objectionable aspect of the order is that shopkeepers selling yarn to and buying sarees from weavers are to pay the penalty rates on sales made from 1st July 1921, although the order to that effect is issued on 5th July 1922 in the Government Gazette and on 21st April 1922 by the Sub-Divisional Magistrate of Malegaon Circle finally modified on 20th May 1922. More than ten months' sales have thus to be dealt with retrospectively and unless my Committee seriously misunderstand the order this can hardly be considered either fair or reasonable.

6. Another detail in this connection is the order that shop-keepers would be liable for such collection not on actual sales that may be made even from and after 6th June 1922 but on "average number of saris

hitherto purchased by them from etc." This appears to be most indefinite and consequently open to serious objection by the commercial classes. For if a shop-keeper bought 500 saris a year last year or during each of the last years and if owing to his death his minor son or partner could only sell 100 saris annually from 8th June 1922 he would still be liable to pay 3 annas per sari on 500 saris. The unfairness of the order would appear to be apparent and my Committee hope it has only to be brought to the notice of Government for necessary modification.

7. My Committee feel that unless Government have substantial reasons justifying their order in question (which reasons they would be glad to know earliest possible) they would respectfully but earnestly request Government to modify the order materially.

8. The handloom industry is one which Government have done a good deal to support till now. The weavers and the commercial community dealing with them directly are notorious for their slender means and for their inability to stand any extra burden. To penalise the shop-keepers dealing with weavers with orders of a retrospective effect is a step that can hardly be justified and my Committee trust that they would soon be favoured with Government's reasons for such an order which, as far as my Committee are aware, has no precedent.

I beg etc.,

J. K. MEHTA,

Secretary.

No. 152-A.

Home Department, Secretariat, Fort,

Bombay, 9th October 1922.

Home Department.

To,

The Secretary, The Indian Merchant's Chamber and Bureau,

BOMBAY.

SUBJECT:—Compensation in the Malegaon Riots case.

Sir,

With reference to your letter No. T-638, dated the 3rd July 1922, I am directed by the Governor in Council to inform you that the points raised in your letter under reference have been carefully considered by Government but that as the question of the recovery of the compensation is the subject of pending litigation it is not practicable for any further reply to be given at present by Government.

I have etc.,

G. WILES,

Deputy Secretary to the Government of Bombay, Home Department.

APPENDIX 47.

Chamber's Views re.: the future management of Indian Railways.

No. 1260-F.

GOVERNMENT OF INDIA, RAILWAY DEPARTMENT.

(RAILWAY BOARD.)

To

The Secretary, Indian Merchants Chamber and Bureau,

BOMBAY.

Simla, the 24th June 1922.

Sir,

I am directed to refer to Chapter VII of the Acworth Committee's report in which the question of the future management of Indian Railways is discussed. The Committee considered four possible methods of management namely:

(1) Management by English Companies.

(2) Management by a combination of English and Indian Companies.

(3) Management by Indian Companies; and

(4) Management directly by the State.

They ruled out unanimously management by either of the first two methods, but they were equally divided on the alternative between management by Indian Companies and direct State management.

2. The question discussed is of immediate practical importance in connection with the future management of the East Indian Railway and Great Indian Peninsula Railway. The contract for the former expires in December 1924 and that for the latter Railway in July 1925. It is therefore important to come to an early decision.

Not all Local Governments / Chambers of Commerce. are immediately interested in these two Railways, but the general question involved is so important that they will no doubt wish to express their views.

3. The Government of India at this stage do not propose to discuss the question at any length. It was fully discussed in 1916 and further light has been thrown upon it by the Acworth Committee's report. Nor do they propose at present to commit themselves to either alternative. They will formulate their own conclusions on receipt of replies to this letter and after consulting the Central Advisory Council.

4. At a preliminary discussion however in this Council it was suggested that the consideration of the question would be facilitated if concrete schemes were prepared indicating on what lines Company management in India could be carried on in the event of the final decision being in favour of this form of management. Accordingly two schemes have been prepared and are attached to this letter. The first scheme has been drawn up on the lines suggested in paragraphs 272-274 of the report. The second scheme is an attempt to show how Company management could be continued in India, if it were thought advisable, more or less on the same lines as at present, but with Companies domiciled in India. Both schemes have been drawn up with particular reference to the East Indian Railway. It will be understood that they are merely intended to serve as a basis for discussion.

5. One other point requires notice. In paragraph 250 of the report reference is made to the dangers of State management of Rail-

ways in a country which is advancing in the direction of democratic government. It has been suggested that these dangers could be obviated to some extent by the expedient of associating with the Agent of the Railway a Board of management much in the same way as major Ports are managed by Port Commissioners. The Government of India do not propose to comment on the obvious difference between a Port and a Railway, but I am to ask for an expression of opinion on the suggestion.

6. The subject is one of great importance, but it has been so fully discussed before that I am to express the hope that the Government of India may be furnished not later than 20th August next with the views of your $\frac{\text{Government}}{\text{Chamber}}$ on the following questions :—

(1) Should the management of the East Indian Railway and Great Indian Peninsula Railway on the expiry of the present contracts be taken over by the State or entrusted to a Company domiciled in India?

(2) If the latter alternative is preferred, what scheme of management is suggested?

(3) In the event of State management being favoured, would it be possible to associate a Board of Directors with the Agent and if so, should the Board be composed mainly or entirely of businessmen?

7. (To local Governments only). A copy of this letter is being sent direct to important Chambers of Commerce and they are being asked to send copies of their reply to the Local Government.

7. (To Chambers only). I am to ask that a copy of your reply may be sent to the Local Government for information.

I have etc.

S. TOMKINS,

Offg. Secretary, Railway Board.

SCHEME No. I.

Purchase by or alternatively lease to a domiciled Company.

I. *Capitalisation of existing line.*—The Acworth Report gives two alternative proposals for the capitalisation of Government's interest in the existing Company, *viz.* :—

A. That if 6 per cent be taken as the prevailing and estimated future value of money, the Government share be capitalised on this basis and that the line be valued at Rs. 134 crores. The Company to have a nominal capital of Rs. 134 plus 50 crores and that of the proposed additional capital, say Rs. 25 crores, bearing a Government guarantee of 1 per cent. below current Government of India Loan rate, be called up in the first few years. Under this arrangement both the annuities and existing debenture interest would be a liability of Government.

B. That the Government share be taken as the existing book value of the line. The annuities and debenture interest to be a charge on the line's earnings and that Government receive, say the first 1-3rd of surplus profits before division in return for their uncapitalised goodwill.

Of these two schemes A is the more satisfactory. It leaves a clear *pro rata* division of profits which would be more attractive to the investor than the alternative and more complicated proposal.

Scheme A may therefore be taken as the basis for working and a new company may be formed somewhat on these lines.

II. *Proposed Company.*—1. Authorised capital Rs. 200 crores. Issued capital Rs. 123 crores—issued to Government as fully paid up. This capitalises the line on a 6½ per cent. basis. Six per cent. is rather low, bearing in mind that Government are paying 6·6 per cent. for their own loans and that heavy capital expenditure is contemplated which presumably will not bear immediate fruit. However, it would be for Government and the proposed company to come to terms on this point.

2. Company to raise additional capital as required and as

market conditions render advisable up to an amount to be specified by Government.

3. Government to guarantee interest at 1 per cent. under the issue rate of their last loan. The question arises here as to whether Government would demand any consideration for their guarantee. As the guarantee should enable the Company to raise share capital on more favourable terms than would otherwise be possible, Government as shareholders really receive a substantial *quid pro quo*, but if necessary it could be arranged that they should receive say 1-4th of the extra outside shareholders' profits after say 8 per cent. had been paid.

4. Government to have the right to put up additional capital at any time at par. Shares offered to the public later to be issued at a premium if results and market conditions render this possible.

A suggestion has been made that the Company may, before taking over the management put up 1-20th of the capitalised value, that they may in each subsequent year find half of the additional capital until they have raised 1-3rd of the total capital and that thereafter they be responsible for finding 1-3rd of the capital yearly. It is considered, however, that this is too rigid, both as to proportion and period.

(*a*) When Government is in funds they may wish to increase their holding. When faced with a deficit they might prefer to let the Company finance itself entirely for a few years. Fixed proportion is not therefore considered desirable.

(*b*) The Company need not also be committed to yearly issues. On a favourable market it might be advisable to issue shares to cover capital expenditure requirements for two or even three years, and they need not be precluded from doing this.

5. *Termination.*—Government to have the right to acquire the outside shares at periods of ten years on 12 months notice at par or at an agreed valuation whichever be the greater. As a valuation it is suggested that the average earnings of the three years immediately preceding termination be capitalised at ½ per cent. over the Govern-

ment of India loan rate for the year of termination.' That is to say, if the average earnings of the three years be 7¼ per cent. and if the Government Loan be at 6¼ per cent. tax-payable, then the value of the shares would be $100 \times 7\frac{1}{4} = 725 \div 6\frac{3}{4} = 107.4$.

6. *Board of Directors*:—To be located in Calcutta. The Acworth Committee propose 5 and 5, including a Government chairman with a casting vote. A company chairman would certainly be preferable from the shareholders point of view. How would 5 Company and 6 Government do, with a chairman appointed from the 5 Company Directors?

7. *Government Control.*—It will be noted that under the proposed scheme Government retains effective control throughout. As the preponderating shareholder it can prevent issues of capital, it can never be outvoted at a General Meeting and is in short in the same position as any other controlling interest in a commercial concern.

8. *Debentures.*—On a favourable market Debentures might be issued. Existing Debentures bear a very small proportion to the total capital and if, under the re-capitalisation scheme, the Government take over the Debenture liabilities, then the balance sheet is clear of Debentures except as a contingent liability. There is a great field here for the attraction of new money, particularly foreign money.

III. *Other Railways.*—No scheme for taking over the East Indian Railway can be considered as really satisfactory if it meets only one case but leaves unsolved the problems that will arise in the case of other and less profitable railways. The recapitalisation basis, however, will be applicable to all Railways which are sufficiently sound financially to warrant the formation of a company at all. In the case of the East Indian Railway Government increases its assets very materially. In the case of other railways it might be necessary to capitalise at book cost or even less, but at any rate it should be possible to establish a basis at which a company can be formed and outside capital attracted.

Note. If the Government consider it better that the state should continue to own the line the above scheme could be adopted subject this condition.

SCHEME No. II.

LEASE TO A DOMICILED COMPANY.

Part I.—*Fundamental Conditions.*

I. *Constitution*—

(1) Company to be domiciled in India and its capital to be rupee capital raised in India.

(2) Government to nominate half of the Directors including one entitled "Government Director" who will have the power to stay action in respect of any decision of the Board of Directors pending a reference to Government.

The appointment of "Managing Director" to be made by the Company subject to the approval of Government.

(3) At least half of the total Directorate whether nominated or not to be Indian.

II.—*General terms of lease*—

(1) The line and its equipment which is the property of Government to be handed over to the Company to work for a specified term of years subject to conditions stated hereafter.

(2) The Company's capital to be treated as a loan to Government on a definite guarantee of interest and carrying in addition a right to a share proportionate to subscribed capital in the annual profits subject to the condition that if in any year the total amount so payable to the Company including the guarantee exceeds 8 per cent. on their capital the excess shall be divided in proportion of 75 per cent to Government and 25 per cent. to the Company. The term annual profits in this respect to mean gross receipts less—

(*a*) working expenses including renewals.

(*b*) guaranteed interest payable to the Company,

(*c*) interest payable on debentures if any,

Note—These proportions to be subject to considerations in each case.

(*d*) interest or annuity payable by Government in respect of its holding.

3. The contract to be terminable on twelve months notice by Government if in their opinion the property is being mismanaged and the Company are unable or unwilling to carry out the wishes of Government in this respect. The rights of Government to exercise this power of preliminary purchase will be subject in case of dispute to arbitration by a special tribunal convened for the purpose consisting of—

Chairman.—A High Court Judge.

Members.—(1) A nominee of Associated Chambers of Commerce.

(2) A nominee of the Legislative Assembly.

The decision of this tribunal to be binding on both parties and if purchase is decided upon the Company will be entitled to receive from Government the part value of their capital. On expiry of the full terms of the contract Government to retain the right to pay out the Company at par.

III. *Finance*—

(1) The Government to undertake to provide the capital which is in their opinion necessary from time to time for the equipment and improvement of the undertaking, but to retain the right to call upon the Company to increase their contribution at any time to the extent of the authorised capital or to preserve the proportion which existed when the contract was entered into.

(2) The Company to prepare and submit each year in advance for approval of Government a budget showing their proposed expenditure both Capital and Revenue and their anticipated earnings and to undertake that their subsequent operations do not deviate from this estimate except to such extent and in such matters of detail as may from time to time be authorised.

(3) The Company to prepare and furnish such accounts as Government may require and the financial proceeding of the Company to be subject to such Government audit as may be prescribed.

IV *Maintenance and Administration*—

(1) The Company to undertake to arrange for the maintenance and equipment of the property to a standard approved.

(2) Government to have the right to require the Company to run such trains at such rates of speed and with such accommodation as in their opinion the public convenience requires.

(3) The rates and fares to be charged to be fixed by the Company subject to certain maxima and minima prescribed by Government and subject also to the condition that Government retain the right to require the Company to alter any rate or fare if it is in their opinion inequitable or not in the public interest. In case of dispute the necessity for alteration in any such rate to be referred to the Rates Tribunal whose decision in the matter will be final.

(4) The Company to undertake to perform all such services for conveyance or otherwise of postal, military police or other Department of Government as they may be required to do and to give preference to such traffic if so required. The rates to be charged for conveyance of such traffic to be subject in case of dispute to decision by the Rates Tribunal.

V. *Staff and Stores.*

(1) The Company to undertake to maintain sufficient staff to the satisfaction of Government and to have full powers to appoint such staff subject to the condition that the assent of Government is required to the scale of pay to all staff drawing Rs. 500 per mensem and over.

(2) The Company to be entrusted ordinarily with discretion to purchase materials required for the upkeep and working

of the line subject to the condition that Government retain the right to require the Company to utilise the Government agency for this purpose in respect of any particular classes of articles or to interfere if in their opinion the quality or price of articles purchased by the Company is such as to prejudice effectual and economic working or maintenance, or if purchases are being made abroad of articles which would have been as economically and equally well obtained in the country.

In case the Company is required under this clause to utilise the Government agency for purchase, such agency to be under an obligation to comply with the Company's specifications as to standard and design.

VI. Arbitration—

An arbitration clause to be included in all contracts providing for this function being exercised by a definitely constituted Tribunal.

PART II.

APPLICATION OF CONDITIONS TO EAST INDIAN RAILWAY.

I—Property—

(1) Main line	... 2,459 Miles	... Owned by Government.
(2) Delhi-Umbala-Kalka Railway	206 „	... Owned by Delhi-Umbala Kalka Railway Company.
(3) Jind-Panipat	... 26 „	... Owned by Jind Durbar
(4) South Behar Railway.	79 „	... Owned by South Behar Railway Company,

II.—Administrative Arrangements—

(1) Government to resume working of (1) from existing Company and hand it over to the new Company to work.

(2) Government to enter into a contract with the new Company to

work the lines comprised in items 2, 3 and 4 above on present or revised terms,

III.—New Company—

Board—1 Managing Director.

9 Directors—

(*a*) Five of the total Board to be nominated by Government.

(*b*) At least half of the Board to be Indians of whom the Company are required to nominate not less than two

(*c*) The appointment of Managing Director to be made by the Company subject to Government approval.

IV—Tenure—

The line to be handed over to the Company to work for 25 years subject to conditions in Part I.

V—Financial—

(1) The Government capital in the concern to be taken at 90 crores or such figure in excess of that amount as will correctly represent the total liability incurred by Government on the railway at the date of handing over.

(2) The authorised capital of the Company to be 10 crores of which 5 crores shall be paid up and the balance issued in such instalments as Government may approve.

(3) The Company's share of capital for the purposes of profits to be taken as the average paid up capital at their credit during the previous 12 months.

(4) The following liabilities to be taken as a first charge against gross receipts before division of profits:—

(*a*) Working expenses including provision for depreciation of capital assets.

(*b*) Payment to worked lines on account of their share of profits.

(*c*) Payment to Government of 360 lakhs or such sum as is hereafter decided to cover Government liability for interest and annuity in respect of the property.

(d) Guaranteed interest on Company's capital at 4 per cent,

5. The balance after providing for these liabilities to be divisible between Government and the Company in proportion of respective shares of capital referred to in (1) and (2) above subject to the condition that if the Company's share of profit together with the guaranteed interest at 4 per cent shall in any year be in excess of the amount required to pay 8 per cent on the paid up capital of the Company such excess shall be divisible in proportion of 25 per cent to the company and 75 per cent to Government.

No. T.-899.

Bombay, 25th August 1922.

To,

The Secretary, The Railway Board.

SIMLA.

Sir,

I have the honour to reply on behalf of my Committee to your letter No. 1260-F dated the 24th June 1922, regarding the management of the Indian Railways, as contracts with the existing Railway Companies fall due. My Committee note that the Government of India consider the general aspect of this question to be so important that they have invited the views of Local Governments and Chambers of Commerce on it.

2. In Para. 3 of your letter you state that the Government of India will formulate their own conclusions on receipt of replies to it, and after consulting the Central Advisory Council. My Committee may be permitted to point out that the Central Advisory Council, as recommended by the Acworth Committee, was not intended for this purpose, or even for expressing an opinion on such an important national question; and they regret that the impartial opinion of the Assembly should thus be sought to be anticipated by consulting a few members of the Assembly who may be on the Central Advisory Council. Without meaning the slightest reflection or disrespect to the members of the Assembly who have been nominated by Government to the Central Advisory Council,

my Committee wish respectfully to point out the undesirability of committing any section of the Assembly in this manner before the question is discussed on the floor of the Assembly. With these preliminary remarks my Committee will deal with the question under reference.

3. My Committee attach such wide importance to the reference by the Government on this question that they felt it their duty to sound Indian Commercial opinion fully before they expressed their further opinion on the subject. To that end my Committee invited representatives of Indian Commercial bodies all over India to meet in Bombay on the 5th and 6th instant at a Conference. I encloes herewith for ready reference a copy of three resolutions unanimously passed at that Conference, where representatives of Commercial bodies from Calcutta, Madras, Cawnpore and Bombay were present. I may say that the Conference discussed the whole question referred to in your letter for two days and unanimously arrived at the enclosed resolutions.

4, The question as to what is to the best interest of India regarding the Management of Railways hereafter, has been occupying the attention of this Chamber for many years past. In 1916, this Chamber addressed Government, recommending State Management, and in their evidence before the Acworth Committee they urged the same policy. In my letter to the Secretary to the Government of India, Department of Commerce, dated the 27th April last, my Committee reiterated the same opinion, and this consistent opinion of my Committee has been further reinforced by the unanimous resolutions passed at the Conference referred to above. My Committee would invite reference to all their representations *and letters to the Government of India in this connection made before now. And my Committee will restrict themselve in this letter to such further supplementary reasons and grounds as they have to urge in support of the taking over by the State of the management

Vide their letter dated 1st December 19.6 in reply to the letter from the Secretary, Railway Board Simla, No. F. 16 dated 27th June 1916 ; their written memorandum submitted to the Acworth Committee dated 17th January 192. and their representation to the Secretary, Department of Commerce, Government of India dated 27th April 1922.

of Indian Railways as existing contracts fall due.

5. The report of the Acworth Committee has not yet been discussed by the Legislative Assembly, and it is difficult to understand why the Central Advisory Council should have put Government to the trouble of preparing concrete schemes of Company Management. My Committee are inclined to believe that the case *for* State Management and *against* Company Management is so strong, and public feeling against Company Management so unanimous that the Assembly are hardly likely, they venture to think, to entertain any misgivings regarding State Management of the East Indian Railway and the Great Indian Peninsula Railway. In addition to this unanimous opinion of the country, which has been clearly expressed for many years now, the experts on the Acworth Committee including the President, have in the Majority Report dealt so thoroughly and exhaustively with all the *pros* and *cons* of these two systems that my Committee do not wish to add anything to it. In fact, it would appear to my Committee that but for the fact that British commercial interests want Company Management, the Government of India might well be expected to have accepted State Management as a result of the weighty opinion in favour of it in the Acworth Report. The worst aspect of Company Management, as in vogue at present is that it is not "Company Management" as understood by that expression. It is a hybrid, with all the disadvantages of State Management in its worst aspect, and with none of the advantages of management by people whose real financial interests can correctly be said to be at stake.

6. Regarding the concrete schemes submitted with your letter under reply, my Committee fail to see how any of these can be said to be free from the disadvantage of Company Management referred to in Para 5 above. They appear to be based on the present system of Guaranteed Railway Companies, with this difference that in the case of these schemes the Government of India will have to call for fresh subscriptions of capital. My Committee fail to see any real advantage in entrusting the management of the East Indian and the Great Indian Peninsula Railways to companies established on the lines indicated in your letter; and they venture to ask why

is it necessary to entrust State capital for, say, Rs. 90 crores to representatives of private capital worth Rs. 5 crores? In fact the proportion of the private stake to that of the State is so small that the tax-payer is well justified in asking whether any private capitalists would ever think of handing over their concern for management to a partner with such an insignificantly small stake as is proposed in the schemes suggested in your letter. On these grounds, therefore, my Committee would unhesitatingly reject the two schemes mentioned in your letter, and they venture to confirm the resolutions of the Conference held in Bombay, specially Resolution No. 2 which asked that the East Indian and the Great Indian Peninsula Railways should be completely State-owned, without even a small fraction of their capital being obtained from private sources under the excuse of securing efficient management.

7. In para 5 of your letter you refer to the dangers of State Management of Railways in a country which is advancing in the direction of democratic Government. What is said by the Minority of the Acworth Committee in para 250 of the Report of the Committee has not been overlooked by my Committee. But under the present conditions of the government of India my Committee can only confirm their deliberate opinion that State Management of the East Indian and the Great Indian Peninsula Railways must be given a full and fair trial, so that when a fully responsible Government is available to the people of India, the present arrangement may, if at all necessary, be revised, without the handicap of a committal in the present transition period. For, if the Indian Legislature wish to change the form of management later on, according to one of the conditions proposed in the schemes mentioned in your letter, the new contracts would be terminable only after Government could prove that their property was being mismanaged. But in that case even there would have to be a reference to arbitration, and the Company would have to be paid out at par, even though the shares of the Company might not be worth that much in the open market. If, on the other hand, these two lines are State-managed, no dispute would arise

when any other arrangement is made by a later Government or Legislature. And from this point of view also (*vide* para 238 of the Acworth Committee Report) my Committee would press for State Management of the East Indian and the Great Indian Peninsula Railways.

8. The alternative schemes suggested in your letter can, without the slightest fear of challenge, be said to be schemes of the same nature as the present system of Guaranteed Companies, and my Committee unanimously confirm the conclusion of the Acworth Committee in para 216 that the English Companies do not, and the Companies suggested by the Government of India will never, possess the essential attributes which belong to ordinary commercial companies. As said by the Acworth Committee Majority Report, to claim that because ordinary Companies possess the advantages of energy, enterprise, etc., companies of the type suggested by Government may be expected to possess those advantages is to be misled by a mere name. And India must refuse to be thus misled any more. Governments in other countries have before now sold their Railways out and out to private companies. This is not suggested by any of the supporters of Company Management; nor is it likely that if there were a buyer of the East Indian Railway or of the Great Indian Peninsula Railway, either totally or of the major part of either the Assembly and the Government would entertain such a proposal. Railways have in every country been looked upon as concerns of public utility. They have always been administered even in the most democratic countries, with very considerable control from the Executive Government. In India the problem of the management of Railways has to be considered from the point of view of what is best in the interests of the country in present conditions, political, economic and moral. Even the reference to the Acworth Committee enjoined that the relative advantages of the various systems of management should be considered "in the special circumstances of India" (*vide* reference No. 1.) This condition is a very vital one in the decision of the policy to be followed regarding the East Indian and the Great Indian Peninsula Railways. My Committee submit that those who oppose State Management and favour Company Management overlook this most im-

portant condition that must guide any consideration of the problem, and they venture to submit that the Majority of the Acworth Committee have come to their decision in favour of State Management after taking due cognisance of this condition. My Committee would further like to ask those who run down State Management in India on their own deductions from the result of such management in foreign countries, whether they could point to any country where conditions of government offer even an approximate parallel to those in India.

9. Paragraph 268 of the Report alludes to the fate of State Management in foreign countries. Paragraphs 232 and 233 of the Report give what my Committee consider a crushing reply to the supporters of Company Management, and what the dissenting members consider to be useful lessons of better experience taught by State Management in foreign countries. In a few respects the inferences sought to be drawn by the Minority on the Acworth Committee in para 268 are neither relevant nor justified. The Swiss Federal Railways, which are said to have made a loss of 200 million Francs from 1914 to 1920 were, it is conveniently omitted, practically isolated from the rest of the world during that period. The tourist traffic of Switzerland had vanished and their imports and exports blocked on all sides. As far as my Committee's information goes, the financial position of the Swiss Federal Railways was less shaken by the war than the position of any other railway undertakings, whether Statemanaged or Company-managed on the continent of Europe. The South African Railways, they say, showed a loss of two million sterling in the last two years' working. Trade in South Africa during this period was naturally in a very unsettled condition, and it is hardly a fair method of putting forward the result of State Management to turn to such an abnormal period of the working of these State Railways. My Committee understand that the Union Government of South Africa could have increased rates during that period. But when conditions were varying from day to day, it was perhaps wise of the Union Government to have charged the temporary deficit against the general revenues of the country, rather than have disturbed commerce and industry by further advances in rates. The

whole reference to foreign countries is in the opinion of my Committee irrelevant. It may be that State ownership in the countries mentioned is a mistake. Conditions in India, being what they are, Government have either to point to a solution of the problem consistent with the retention of Company Management or accept State Management. Most of the members who signed the Majority Report of the Acworth Committee say they approached the problem with a strong prepossession in favour of private enterprise as a general proposition, and, the Chairman, Sir William Acworth has been the strongest advocate of Company Management. And yet these members, led by such an eminent authority as Sir William Acworth, saw no other alternative for the Railways of India but State Management.

10. Paragraph 227 of the Majority Report gives the conclusion of Sir William Acworth and his colleagues, and my Committee beg to repeat that they are in entire agreement with it, not on any ground of national sentiment, but purely from the practical point of view.

11. There is an additional reason for direct State Management in the case of the East Indian Railway which requires every attention. This is mentioned in paragraph 224 of the Acworth Committee's report, and my Committee beg to draw the special attention of the Govern ment to the same.

12. My Committee wish to reiterate their opinion that the rejection of the unanimous recommendation of the Acworth Committee regarding the separation of the Railway Budget from the general Budget of the Government of India has been the fundamentally wrong step taken by the Government of India which may be now said to be militating against direct State Management. F r this, however, the Government of India should realise that they have to thank themselves as the Hon'ble the Finance and Commerce Members are reported to have given the lead in this direction at the meeting held in Calcutta last December.

13. Paragraph 6 of my letter to the Secretary to the Government of India, Department of Commerce, dated the 27th April 1922 deals with this subject, and my Committee are convinced that the successful management of India's Railways will always be jeopardised

unless a separate Railway Budget is insisted upon by the Assembly. My Committee, therefore, venture to emphasize again the necessity of Government recommending the Assembly the approval of a separate Railway Budget, and they have no doubt that as long as the Finance Department is permitted to retain control of the Railway administration and policy, no satisfactory solution is possible.

14. Paragraph 238 of the Report deals with the comparative risk of the acceptance by Government hereafter of State or Company Management. My Committee do not wish to repeat the arguments advanced in the Report, but they would urge their re-examination before Government begin seriously to consider the advisability of the management of the East Indian and the Great Indian Peninsula Railways by so-called companies.

15. Paragraph 239 says that the Majority of the Acworth Committee have based their recommendation mainly on the broad ground which seems to them incontrovertible that as a matter of practical politics Companies substantially independent cannot be formed in India, and that when such independence is impossible, the advantages of private enterprise are lost. The fact that the Minority of the Acworth Committee, and even the Government of India, now propose the formation of companies in which the State would own the great bulk of the stock, appoint half the Directors and nominate the Chairman, with an ultimate appeal to the Government itself in case of disagreement in the Board, has confirmed my Committee in the conclusion that they have correctly understood the position from the start, and emboldens them to repeat that Government cannot possibly force a policy of Company Management on the Indian public.

16. The later part of paragraph 223 of the Majority Report has been criticised as one of the weakest points in favour of State Management. A perusal of that paragraph will show that the point urged in it is one of practical politics. My Committee perceive no weakness in the plea urged; but they would like to say that the Minority reply to that paragraph, as contained in para 295, is a very lame and halting reply which will hardly stand close examination. The Minority of the Acworth Committee say in that reply that "it will generally be admitted that when complaints are made against companies, the weight of public opinion leads to reforms." The ex-

perience of the Indian public and even the Imperial Legislative Council till 1920, was that the Guaranteed Railway Companies were the hardest to move with the heaviest weight of Indian opinion behind a grievance or complaint. In fact, instances can be quoted where the Government of India had to confess in the Imperial Legislative Council that certain complaints were represented to the Railway Companies concerned, but without avail. It is just because the Indian public is so thoroughly disappointed with the absolute want of attention given hitherto by Guaranteed companies to the comforts of the passenger public and to the facilities required for Indian trade and industry that their faith in any type of Company management is completely shaken. And my Committee have no hesitation in urging that it is just this important psychological aspect of the whole question which the Minority Members of the Acworth Committee have failed to perceive, and which appears to be responsible for the dissension in the Committee. The reason for this is very well indicated in para 219 of the Majority Report, and my Committee would remark with all deference to the members who signed the Minority Report that their views and convictions as expressed in the Minority Report should be discounted, as most of the members who signed that report might correctly be said to have suffered from the long tradition behind the system of Company Management of Indian Railways in which they spent years. The Minority members say: "The State often is not an attentive listener and is apt to consider itself perfect." The Reforms, my Committee contend, mild and halting as they are, provide the means by which public opinion can compel the State to be an attentive listener and to see imperfections. Just when this privilege of forcing the State's attention to its drawbacks is available to the Indian public they cannot possibly consider any subterfuge that may be devised to come in the way of their wishes and an administration of the highest public utility. Any interests that may be working at enforcing this subterfuge on the country grossly underestimate the force and the volume of public opinion against them.

17. A good deal of unnecessary alarm and nervousness is sought to be created by the supporters of Company Management on the score of over-centralization of control at Delhi if State Management is

adopted hereafter. Paragraph 242 of the Majority Report deals with this. What is wanted is decentralised management, and there need then be no fear of over-centralization of control at Delhi. The Scheme of executive decentralization as suggested by the Acworth Committee is all that is needed to avert any fears on this score. The Government of Canada are understood to have definitely turned down private control of the Canadian Railways, and my Committee understand that it was declared "that it is the intention of the Government to have one board of Directors that will manage the entire system in a manner that will effect economies and further efficiency." Surely the danger of over centralization of control should be as perceptible in Canada as in India. And yet the Government of Canada have resolved against private control of their Railways.

18. In para 5 of your letter you refer to the expedient, in case of State Management, of associating with the Agent of the Railway, a Board of Management, much in the same way as the major ports are managed by Port Commissioners or Trustees. My Committee note with the Government of India that there is an obvious difference between a port and a Railway, but that Government would still like to have an expression of opinion from them on this suggestion. This suggestion, I am to point out, is not to be confused in any way with the nature of the duties of Port Commissioners as against the duties of the Board of a Railway. The analogy of the Port administrations is perhaps used in order to convey in a word easily understood, the manner in which representatives of commercial bodies could be associated with the Agent of a Railway for the purpose of management of a railway on business lines. And my Committee see nothing objectionable in this suggestion. In fact they would welcome it and approve it. They desire to point out that there is nothing inconsistent and incongruous in the analogy or the suggestion, and that if the Government of India feel that the suggestion is not feasible they may have well enlightened the Chambers of Commerce in their letter as to the reasons why they think so. The major Ports have been managed from the very start by the State without mixing up private capital in their management. Whether the management of the various ports has been successful or not from the business point of view is a

matter for the Government of India and the Assembly to decide for themselves. But as far as my Chamber is able to gather, public opinion generally speaking, has not pronounced the management of the major ports as a failure. And if these ports, with annual revenues, in some cases of nearly two crores of rupees, have been successfully managed as departments of the State by detached bodies constituted under Government control and subject to Government restrictions, my Committee fail to perceive where the obvious difference between the management of a railway line from, say, Calcutta to Cawnpore, would come in as compared with the management of the Port of Calcutta. The only question is to devise a practical method of securing adequate representation of all the interests on the whole length of such a Railway, and my Committee feel that it would not be difficult to do so. My Committee would, therefore, suggest that the East Indian Railway and the Great Indian Peninsula Railway might, if preferred, be managed as a department of the State on the lines indicated above. Special legislation may be necessary. But the reflection of the opinion of representative commercial bodies and of the Indian public in Railway administration should be considered to be the first and indispensable condition. And if this suggestion meets with the approval of the Government my Committee will be prepared to communicate to them in detail their views regarding the necessary representation on such bodies.

19. I am to draw the attention of the Government of India that out of a total mileage of 37,079 miles, open at the close of the year 1920-21, 11,163 miles of the Indian Railway system are at present being managed directly by the State. The evidence recorded by the Acworth Committee goes to show that in the opinion of Railway officials, the Railway Board and the commercial community there has been no difference in the efficiency of State—managed lines as distinct from Company-managed lines. Unless the evidence referred to above is not to be accepted as conclusive proof of the equal efficiency of Company-managed and State-managed Railways, as existing at present, my Committee venture to ask why are the Government of India so apprehensive of taking over to State Management the East Indian and the Great Indian Peninsula Railways, and appear to be so anxious to hand them over

to Companies with small fractions of capital subscribed from private sources? Indeed, a few witnesses before the Acworth Committee laid some emphasis on the spirit of emulation that is created owing to two different types of management existing side by side. Whatever weight this argument may carry, my Committee would point out that even though the Government of India accept State Management for the Railways where their contracts fall due hereafter, the last contract to fall due is the one with the Bengal-Nagpur Railway in 1950, which means that for 28 years more there will be, side by side with State-managed lines, Railways worked by private Companies.—a form of management for which the Government of India seem to have great partiality. Bearing this in mind, my Committee submit that the Government of India should not go against the declared wishes of the Indian public in the matter of the East Indian and the Great Indian Peninsula Railways. For, the East Indian Railway is the best and most remunerative of Indian Railways owing to the districts through which it runs, and owing to certain natural advantages it possesses. It would hardly be fair to the taxpayer to hand over what is recognized as the soundest of Indian Railways to a set of private capitalists in direct opposition to the declared views of the Indian public.

20. Whilst my Committee do not wish to go into the details of the various terms mentioned in the schemes covered with your letter, they wish to point out that in Clause 5 of part 1 (Scheme No. 2) you say as under :—

> "In case the Company is required under this clause to utilize the Government agency for purchase, such agency to be under an obligation to comply with the companies' specifications as to standard and design."

To give a company freedom precisely where it ought not to have it, even if it were a really independent company, is indeed, my Committee are constrained to say, a curious proposal. If there is one thing more clear than another in Railway economics it is that there ought to be no separate standards for the various railways, but an All-India Standard for them all. Any Railwayman would tell the Government of India, for instance, how enormous has been the waste of

money in England because the companies failed to agree on a single standard brake, and how the fact that different companies have adopted different electric equipments, is hampering the electrification of the English Railways at this moment. In India the position is equally bad, if not worse; and in order that all Railway equipment be uniform as far as conditions permit, the freedom suggested appears to my Committee to be absolutely wrong in principle and opposed to economic working.

21. Regarding para 6 of your letter I am to communicate to you herein *seriatim* the replies of my Committee on the questions referred therein.

(1) The management of the East Indian and the Great Indian Peninsula Railways should, on the expiry of the present contracts, be taken over by the State. No private capital should be mixed up in any of these railways on any account and the two Railways should be completely State-owned. The management of these Railways should not be entrusted to a Company even though domiciled in India.

(2) This needs no reply. My Committee are emphatically against Company-management on the lines indicated in your letter. In fact, my Committee venture to go so far as to say that it is not feasible to suggest any reasonable and business-like methods of Company-management for the Indian Railways.

(3) It should, in the opinion of my Committee, be not only possible but feasible to associate a Board of Directors or Trustees with the Agent for the management of the Railways concerned; and the Board should be composed mainly of businessmen with one or two representatives of the Government of India or the Local Government in each case. The engagement of experts such as General Managers, Chief Engineers, etc., is a matter of detail; but there is no reason why such experts should be on the Boards of Management.

I have etc.,
J. K. MEHTA,
Secretary.

The following Resolutions were unanimously passed at the Conference of leading Indian Chambers of Commerce and Commercial Associations held in Bombay on the 5th and 6th August 1922 to consider the question of management of Indian Railways :—

1. That this Conference representing the Indian commercial bodies from various parts of India re-affirm their conviction that the best form of Management of the Indian Railways under the present circumstances is by State Agency, and they strongly disapprove the tendency of the Government, as revealed in their recent communications, again to raise the question of Company Management as a practical issue, in spite of the fact that the majority of the Indian Railway Committee including such an authority on Railway matters as Sir William Acworth, unequivocally pronounced against it.

2. That this Conference is emphatically of opinion that there cannot possibly be any question of the renewal of the contracts of the East Indian and the Great Indian Peninsula Railways as they fall due and that those Railways should be completely State-owned without even a fraction of their capital being obtained from private sources under the excuse of securing efficient Management.

3. That this Conference urges all Indian public bodies and Members of the Indian Legislature to bring to the fore—front the persistent, long-standing and unanimous demand of Indian opinion for State Management and to defeat attempts made to saddle this country with Managing Companies for Indian Railways—Companies which cannot be materially different from those that have hitherto managed the Indian Railways to the discontent of the Indian public and to the detriment of Indian public interests.

J. K. MEHTA,

Secretary.

APPENDIX 48.

Public Meeting regarding position of Indians in East Africa and the Kenya Colony.

THE IMPERIAL INDIAN CITIZENSHIP ASSOCIATION.

359, Hornby Row, Fort,

Bombay, 7th July 1922.

To,

The Secretary, the Indian Merchants' Chamber and Bureau.

Dear Sir,

It has been decided to hold a public meeting of the citizens of Bombay to discuss the Indian position in East and South Africa at the Excelsior Theatre on Wednesday the 19th instant at 6 p. m. (S. T.). The meeting will be held under the joint auspices of this Association and such other Associations as will care to join. The Bombay Presidency Association and the Bombay Progressive Association have already agreed to co-operate with us; and we hope that the British Indian Colonial Merchants' Association will also join. Will you kindly ascertain whether your Committee will also agree to join in convening the meeting. It is proposed to divide the cost of the meeting amongst the Associations co-operating.

An early answer will oblige,

Yours faithfully,

J. B. PETIT,

For Self & Co.-Secretaries.

T. 670.

10th July 1922.

Dear Mr. Petit,

Your letter of the 7th instant was considerd by the Committee at their meeting held on the 8th instant. I am asked to inform you they are very glad to co-operate with the Imperial Citizenship

Association in the matter of convening a public meeting to consider the question of the grievances of Indians in Africa. They have nominated Mr. Purshottamdas Thakordas, C.I.E., M.B.E., etc. the President of the Chamber and Mr. Manu Subedar as their representatives on any Sub-Committee you may appoint for the purpose of drafting resolutions and making arrangements for the meeting.

Yours sincerely,

J. K. MEHTA.

To Jehangir B. Petit, Esq., Bombay.

APPENDIX 49.

Notice to passengers issued by the B. I. S. N. Co., Ltd.

THE INDIAN NATIONAL ASSOCIATION,

Zanzibar, 28th February 1922.

No. 32-22.

The Secretary, the Indian Merchants' Chamber and Bureau,

Dear Sir,

I am directed to enclose herein a copy of a notice to passengers issued by the B. I. S. N. Co., Ltd., whose local agents are Messrs. Smith Mackenzie & Co. Evidently my Committee look at it with alarm for passengers whose safety is in every way endangered if this notice is valid. I am therefore asked to enquire if such a drastic notice is consistent with the requirements needed by the Port Authorities for allowing ships to sail for outward voyages.

I have also enclosed herein a copy of the correspondence made by my Association with regard to the treatment needed by the Indian passengers by the B. I. ships and to enquire what steps can now be taken to obtain redress in the matter as the subject matter of the correspondence requires very serious consideration.

I remain etc.,

B. N. ANANTANI,

Hon. Secretary.

B. I. S. N. COMPANY, LTD.

NOTICE TO PASSENGERS.

"THE COMPANY will not be responsible for and shall be exempt from liability in respect of any detention, loss, damage or injury, whether fatal or otherwise, of or to the holders of tickets issued by this Company or their Agents, his property or effects belonging to or carried by or with him, whether the same shall arise from, or be occasioned by, the act of God, the King's enemies, dangers of the seas, rivers or navigation, collision, fire, thefts or robberies, whether by a person in the employment of the Company or by others, accidents to or by machinery, boilers or steam, accidents by sea or by land, unskilful, improper or careless navigation, or any other acts, defaults or negligences of the Company's Agents, servants or employees of any kind whatsoever, or from the restrictions of quarantine whatsoever imposed, or from circumstances arising out of or connected with the employment of the Company's vessel in the service of His Majesty or of the Government of any Colony or of any foreign power."

"PASSENGERS will be held responsible for any infringment of Customs, Police and Health Regulations, and in the event of the steamer being ordered to undergo quarantine or disinfection, they will defray the cost of their food and all expenses incurred on account of such quarantine or disinfection."

"Issued subject to the conditions of the Company's Passage Regulations.

By order,

MACKINON, MACKENZIE & Co. Managing Agents.

B. I. S. N. Co, Ltd.

Bombay. 1st January, 1922.

T. 759.

27th July 1923.

To,

The Secretary to the Government of India,

Department of Commerce.

SIMLA.

Sir,

The attention of my Committee has been drawn to the accompanying Notice to Passengers issued by Messrs the British India Steam Navigation Company, Limited. My Committee beg specially to draw your attention to the words underlined therein running as "unskilful, improper or careless navigation or any other acts, defaults or negligences of the Company's Agents, servants, or employees of any kind whatsoever." My Committee think that the law cannot, surely, have contemplated anything like the contracting themselves by shipping companies of their liabilities in the manner in which it appears to have been done in this notice. They, therefore, beg to request that the Government of India will be pleased to take immediate steps to get this offending clause removed from the notice issued by the British India Steam Navigation Company, Limited, to their passengers.

I beg etc.,

J. K. MEHTA.

Secretary.

No. 5063.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

SIMLA the $\frac{27}{29}$th September 1922.

To,

The Secretary, The Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

In reply to your letter. No. T. 759, dated the 27th July last, on the subject of a notice to passengers issued by the British India Steam Navigation Company, Limited, I am directed to state that, so far as the Government of India are aware, the clause to which you draw special attention, or an adaptation thereof, appears in all notices to passengers issued by Steam Navigation Companies in India. In the case of some Companies, the notice appears on the ticket and in others it is posted on the deck of the steamer.

2. The Government of India are not prepared to express any opinion on the question whether Steam Navigation Companies are, or are not, legally entitled to issue a notice of this character; the question is one which must be left to the adjudication of the Courts.

I have etc.,

J. B. TAYLOR,

Under Secretary to the Government of India.

APPENDIX 50.

The Late Sir Vithaldas D. Thackersey.

T. 877.

23rd. August 1922.

Dear Madam,

I am asked by the Committee of this Chamber to express to you their sincere and heartfelt condolences at the premature and lamented death of your husband Sir Vithaldas D. Thackersey. He was a member of the Committee of this Chamber from its very inception and rendered incalculable service to it. He was a President of the Chamber for the year 1917–18, which was marked by a period of progress. The Committee have lost in him a great commercial leader and industrialist whose place it will be difficult to fill. The following resolution was passed by the Committee at their last meeting :—

"The Committee of the Chamber have heard with deep regret the news of the premature death of Sir Vithaldas D. Thackersey, and they gratefully record his valuable services as a member of the Committee of the Chamber from its very inception till his death and as President in the year 1917–18.

Yours faithfully,

S. M. MUZUMDAR,

Asst. Secretary.

To,

Lady Thakersey,

Vitheldas Damoder,

BOMBAY.

Damoder Bhuvan, Warden Road,

Bombay, 25th August 1922.

Lady Vithaldas Damoder Thackersey is deeply grateful to the Committee of the Indian Merchants' Chamber and Bureau for their

kind message of sympathy and condolence in her great bereavement and begs to assure them that it has been a solace in her grief that the sympathy of friends has been extended to her in an abundant measure.

To

The Secretary, the Indian Merchants' Chamber & Bureau,

BOMBAY.

T. 878.

23rd. August 1922.

To,

Madhavji Damodar Thackersey Esq.

BOMBAY.

Dear Sir,

I am asked by the Committee of this Chamber to express to you their sincere and heartfelt condolences at the premature and lamented death of Sir Vithaldas D. Thackersey. He was a member of the Committee of this Chamber from its very inception and rendered incalculable service to it. He was the President of the Chamber for the year 1917–18 which was marked by a period of progress. The Committee have lost in him a great commercial leader and industrialist whose place it will be difficult to fill. The following resolution was passed by the Committee at their last meeting :—

"The Committee of the Chamber have heard with deep regret the news of the premature death of Sir Vithaldas D. Thackersey, and they gratefully record his valuable services as a member of the Committee of the Chamber from its very inception till his death and as President in the year 1917–18. "

Yours faithfully,

S. M. MUZUMDAR,

Asst. Secretary

"Damoder Bhuvan," Warden Road,

Bombay, 25th August 1922.

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

Please convey to the Committee of the Indian Merchants' Chamber and Bureau, my sincere thanks for their very kind message of sympathy and condolence in my sad and irreparable loss and for their touching references to my revered brother.

Yours faithfully,

Madhavjee Damoder Thackersey.

APPENDIX 51.

Wireless Communications.

24th August 1922.

T. 879.

To,

The Secretary to the Government of India,

Revenue and Agriculture Department.

SIMLA.

Sir,

The Committee of this Chamber learn with interest the development of the Wireless project in India as time after time communicated

by Reuter's telegrams. They note with satisfaction the decision of the British cabinet to adopt direct communication between India and the United Kingdom for which India has consistently pressed and the consequent abandonment of the uneconomic and unsatisfactory scheme of working through Egypt which was strongly supported by the British Post Office. My Committee presume that this latter scheme has been abandoned under pressure of representations from the Government of India. At the same time my Committee cannot conceal their grave fears from what appears to have transpired up to this time, that the opinion of the Government of India appears to have been practically neglected and left out of account by the Imperial Government. The scheme of direct communication between India and England appears to have been drawn up by the British Post Office which tries to pass it on to India without caring to enquire if the scheme will meet with the approval of the Government of India and the Indian Legislature. This method of treating India and her claims is not one to which either the Government of India or the Indian Legislature or the Indian public can give their accord. What my Committee want to be re-assured on is that no scheme with regard to the wireless project would ultimately be passed without the approval of the Indian Legislature and that no such scheme simply because it comes with the imprimatur of the British Post Office or the British Cabinet will be accepted by the Government of India.

Reuter's telegram dated 29th July 1922 mentions that "the Post Office is negotiating for the construction of wireless stations for working directly with South Africa, India and Australia," and that "the initial cost is estimated at a million sterling and the yearly maintenance at half a million." It is a question for serious consideration if in the present state of depleted finances of the country and the grave economic crisis through which we are passing, India is prepared to go in for such a huge capital outlay and recurring expenditure. My Committee suggest that the Government of India will be pleased to institute inquiries in case the wireless has to be taken up if it will be in the interests of the taxpayers to have a State-worked scheme or to have a scheme entrusted to some private Company, preferably Indian, for working. The final decision as to whether the scheme is to be taken

up by the State or entrusted to a private Company must rest with the Legislature.

In conclusion, my Committee expect an assurance by the Government of India that no wireless scheme will be adopted without the Indian Legislature being consulted and without proper investigation as to the financial aspect of the same.

I beg etc.,

S. M. MUZUMDAR,

Asst. Secretary.

No. 1656 P. W.

Government of India.

PUBLIC WORKS DEPARTMENT.

Telegraphs.

To,

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Simla the 4th September 1922.

Sir,

In acknowledging the receipt of your letter No. T. 879, dated the 24th August 1922, addressed to the Department of Revenue and Agriculture and transferred to this Department for disposal. on the subject of the establishment of direct wireless communication between India and the United Kingdom, I am directed to say that the matter is under the consideration of the Government of India.

I have etc.,

E. CLERICI,

Assistant Secretary to the Government of India.

APPENDIX 52.

Construction of Locomotive Engines in India.

Government of India.

RAILWAY DEPARTMENT.

(RAILWAY BOARD).

No. 214 S.

Dated Delhi, the 17th of March 1922.

To,

The Secretary,

The Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

Construction of loco. engines in India.

With reference to your letter No. 1568, dated 16th December 1921,* I am directed by the Railway Board to suggest that there seems to be some misconception regarding the technical side of this question, as the whole object of the communique referred to was to encourage the creation and full development of the locomotive building industry in this country.

2. I am, however, to inform you, that the Legislative Assembly recently passed the following Resolution:—

> "This Assembly recommends to the Governor-General in Council that a Committee consisting of Members of the Indian Legislature be appointed to consider and report at an early date as to what steps should be taken by the Government of India to encourage the establishment of the necessary industries so that as large an amount as

* Vide Annual Report of the Chamber 1920–21, Page 567.

possible of the 150 crores proposed to be set aside for the rehabilitation of Railways during the next five years be spent in India and also to advise the Government of India in regard to the revision of the Indian Stores Rules."

3. This Committee is now sitting and, one of the items for its consideration will be how best to promote locomotive construction in India.

4. I am to express regret for the delay which has occurred in replying to your letter, but the whole question has been under the consideration of the Railway Board since the receipt thereof.

I have etc.,

ILLEGIBLE,

Asstt. Secretary, Railway Board.

No. T.-558.

15th June 1922.

To,

The Secretary,

Railway Board,

SIMLA.

Sir,

With reference to your letter of the 17th March 1922, No. 214s my Committee will be much obliged if you will kindly inform them at an early date as to what are the particular industries which are to be considered by the Committee now sitting to report at an early date as to what steps should be taken by the Government of India regarding the establishment of necessary industries for supplying the wants of this country. My Committee would also like to know the steps. if any. which are taken to get the evidence of representative bodies of Commerce. The Railway Risk Note Committee now sitting in Simla issued a question naire to all the commercial bodies and has received in reply important expressions of opinion. My Committee trust that

looking to the important nature of the terms of the Committee above referred to arrangements will be made for taking evidence of representative bodies of commerce and individual industrialists.

I beg etc.,

J. K. MEHTA,

Secretary.

GOVERNMENT OF INDIA RAILWAY DEPARTMENT.

(Railway Board.)

No. 214-S.

Dated Simla, the 10th of July 1922.

To

The Secretary, The Indian Merchants' Chamber and Bureau,

BOMBAY,

Dear Sir,

With reference to your letter No. T.558, dated the 15th June 1922, I am directed to say in reply to your first question that the enquiry of the Committee appointed to enquire into the steps necessary to be taken to encourage the establishment of industries in India, covers the case of all industries which produce material required for Indian railways.

2. With regard to your second question, I am to inform you that the above Committee have not considered it necessary to call for fresh evidence for the purposes of their enquiry. The opinions of Chambers of Commerce and commercial bodies on the proposed organization of an Indian Stores Department and on the revision of the Stores Purchase Rules were invited by the Government of India through the local Governments, and the replies received, which include the views of the Indian Merchants' Chamber and Bureau,

are before the Committee. In addition, they are considering representations made recently by several of the more important manufacturers of railway material.

Yours faithfully,

ILLEGIBLE.

Assistant Secretary Railway Board.

No. T.907.

28th August 1922.

To

The Assistant Secretary to the Government of India,

Railway Department, SIMLA.

Sir

With reference to your letter of the 10th July 1922, No. 214-S, I am directed by my Committee to request you to be good enough to let them know the names of manufacturers of railway materials who have made representations to the Committee appointed to enquire into the steps necessary to be taken to encourage the establishment of industries in India. You will also kindly send copies of these representations for the information of my Committee.

I beg etc.

J. K. MEHTA,

Secretary.

GOVERNMENT OF INDIA DEPARTMENT OF INDUSTRIES;

No. S. 183.

Dated Simla, the 20th Ssptember 1922.

To

The Secretary, The Indian Merchants' Chamber and Bureau.

BOMBAY.

Subject.—Constitution of a Committee to advise regarding the establishment of railway industries.

Sir,

With reference to your letter No. T.-907, dated the 28th August 1922, to the address of the Secretary, Railway Department (Railway Board) Simla I am directed to say that the representations have been made direct to the Railway Industries Committee by manufacturers of railway material. The representations to which reference was made in the letter from the Railway Department No. 214-S., dated the 10th July 1922, were those made from time to time to the Government of India by manufacturers and brought to the notice of the Committee by Government. The Government of India regret that they are unable to furnish your Committee with detailed information regarding the source and contents of all such representations.

I have etc.

C. B. DRAKE,

Deputy Secretary to the Government of India.

APPENDIX 53

Recruitment of Indian Seamen.

No. 163 M.

Marine Department, Secretariat, Fort, Bombay.

Dated the 10th July 1922.

To,

The Secretary, The Indian Merchants' Chamber and Bureau.

Subject:—Report of the Seamen's Recruitment Committee.

Sir,

I am directed by the Governor in Council to forward a copy of a Resolution* issued by the Government of India, Department of Commerce, No. 2663, dated the 25th May 1922, of the report of the Seamens' Recruitment Committee and to request that Government may be furnished at as early a date as possible with the views of the Indian Merchants' Chamber and Bureau, on the recommendations contained in paragraphs 4-15 of the Committee's report.

I have etc-,

S. N. ZIMAN.

Deputy Secretary to the Government of Bombay,

Marine Department.

*Not printed here, vide File No. R/5-1922,

INDIAN MERCHANTS' CHAMBER

T.908.

28th August 1922.

To

The Acting Deputy Secretary to the Government of Bombay,
Marine Department, Bombay.

Sir,

With reference to your letter No. 163-M. dated 10th July 1922, I am directed by my Committee to say that they are generally in agreement with the resolution issued by the Government of India, Department of Commerce. No. 2663, dated 25th May 1922 on the report of the seamen's Recruitment Committee. My Committee accept the principles underlying the appointment of Advisory Committees of representatives of shipowners and seamen and agree with the President and the three members of the Lascar seamen Committee in urging the necessity of an immediate establishment of such Committees in both Bombay and Calcutta. My Committee feel so strongly upon this point that they would recommend a legislative measure in this respect, in order to answer Mr. Clow's difficulty that it would be difficult to get consent of the parties to the formation of such a Committee. My Committee cannot understand why the labour organizations should oppose the establishment of an institution which would help the Director of the Bureau in the manifold duties committed to his charge. It is also equally clear that the shipowners would be benefitted by the presence of a Board which would enable them through their representatives to keep themselves in touch with the activities of the Bureau. My Committee would particularly wish to emphasise in this connection that if the nomination system is followed the Indian shipping companies must be adequately represented on the Board and if the elective principle is introduced the Indian Merchants' Chamber should as a representative of Indian firms be asked to send a representative on the said Committee. The general experience of my Committee with regard to the Advisory Committees instituted to help Government officials in the proper discharge of their duties is that as a rule the advice of the Board is not sought and even when invited,

it is not usually followed. To prevent such an unfortunate occurrence from taking place in the new Committee, my Committee would recommend the following safe-guards :—

(1) That frequent meetings of the Advisory Committee should be held to aid the Government officer in the due discharge of his duties;

(2) Should any important business be transacted by the Director of the Bureau during the period that the Advisory Committee is not meeting, that body should be informed by a circular so that the members may be kept in touch with every important matter that comes before the Bureau for consideration. In this connection, it may further be pointed out that it should be made obligatory upon the Director to act according to the opinion of the majority of the Committee on questions which involve principles as also in matters directly affecting any individual seamen. For example. the power of removing the name of any man from the register should be circumscribed by making the opinion of the majority of the Advisory Committee prevail in such matters.

With regard to the Bureau registers, the report observes " there should be complete liberty to shipowners, seamen, their representatives or their organizations to supply seamen to the Bureau ". In so far as this refers to the seamen and their representatives or organizations, my Committee have naturally nothing to say against the system but in so far as the shipowners and their representatives and organizations are entitled to send seamen for enrolment by the Bureau, my Committee fear that this part of the system will lead to abuses as grave as it is now intended to remove. If the shipowners can get their men enrolled on the Register there is nothing, according to my Committee, to prevent any company from employing a broker to get the seamen to sign articles on their ships in much the same manner as things are conducted now with the natural result of the same rampant corruption as heretofore.

I beg etc.

J. K. MEHTA,

Secretary.

Appendix 54.

Amendment of the Land Acquisition Act.

T.-983.

16th September 1922.

To,

The Secretary to the Government of India,

Revenue and Agriculture Department, SIMLA.

Sir,

I am directed by my Committee to address this letter to you with reference to the Bill further to amend the Land Acquisition Act, 1894, introduced by Mr. J. Ramayya. It appears that all the Local Governments and administrations were consulted by the Government of India but the Government of Bombay through reasons best known to themselves happened not to consult this Chamber with regard to this particular question. My Committee, however, have considered the Bill which is of vital interest to the commercial and industrial community and which possesses also a general public interest and direct me to send hereby their views with regard to the same. A copy of these views has also been forwarded to the Government of Bombay for their information.

2. My Committee think that the words "public interests" should be defined more clearly or at least be illustrated by an example for guidance. It is not desirable to rest content with the definition of the words "public interests" by the words "national importance" for both of these expressions are after all relative. The Bill introduced by Mr. Ramayya in the Council does not take any notice of the complicated question of compensation. It is the experience of the public that compensation whenever it is given is very meagre and is generally given after a very long time. In fact, even 3 and 4 years elapse before a party receives his due compensation. Due provision should be made for this.

3. My Committee are given to understand by their representative on the Advisory Committee to the Director of Industries, Bombay, that considerable correspondence has passed between the Imperial Government and the Local Government with regard to the amendment of the Land Acquisition Act in other important directions. My Committee have not been consulted by the Government of Bombay also with regard to these important questions in which my Committee are vitally interested. It seems that the Government of India circularised the Local Governments as far back as 1920 asking their opinions with regard to the procedure to be followed to ensure that the principles communicated by the Industrial Commission are correctly applied.

The proposal of the Indian Industrial Commission with regard to acquisition of land for companies for industrial purposes was that the Local Government should be empowered to acquire lands compulsorily from private owners for an industrial concern when it is satisfied :—

(i) that the industry itself will, on reaching a certain stage of development, be in the interest of the general public ;

(ii) that there are no reasonable prospects of the industry reaching such a stage of development without the acquisition proposed ;

(iii) that the proposed acquisition entails as little inconvenience to private rights as is possible, consistently with meeting the needs of the industry.

4. The Government of India, it appears, in their first letter suggested that either of the following two procedures might be followed where the land was required for a work which would be of indirect benefit to the general public and fulfil the three conditions proposed by the Industrial Commission :—

(a) the land Acquisition Act might be amended to provide that in such cases an inquiry should be held as at present under Section 40 of the Act and that the report of the officer making the enquiries and the draft agreement as

provided by Section 41 should be laid on the table of the Legislative Council for a prescribed period before the agreement was executed. It would then be open to members of the Council to move a resolution that compulsory acquisition should not be allowed;

(b) the present Act might remain unaltered but it would be open to the Local Government or to any private members to bring forward a Bill which would require the sanction of the Government of India to authorise compulsory acquisition in any particular case.

The Government of India, however, in their second communication to the Local Governments mention that "on consideration of the replies received from Local Governments and Administrations they were not disposed to adopt the suggested distinction between works of direct and indirect benefit to the general public." Not only that but it was also observed in the course of the communication that "the expenditure and time involved in dealing with a number of such cases would be serious and it might not be easy to find sufficient, suitable and impartial members to serve on any Committees to which such cases might be referred," and that "the Government of India had, therefore, definitely decided to abandon both the alternative courses of procedure etc., and not vest Legislative Councils with any powers of control or interference in the disposal by the executive Government of application by companies for resort to compulsory acquisition in their favour." These are grave and damaging reflections on members of the various Legislatures in this country who are not supposed to be sufficiently impartial to consider cases of land acquisition which apparently members of legislatures in other countries are sufficiently impartial and honest to do. My Committe would like to know replies of different Local Governments to the original circular letter of the Government of India on the basis of which apparently the latter have changed their opinions and come to formulate such a damaging indictment against members of the Indian Legislature. My Committee deeply regret that they have never been afforded an opportunity of replying to such mistrust

of members of Legislative Councils and of sending their views on such important questions and have to rely on the papers sent to them by their representative on the Advisory Committee to the Director of Industries, Bombay, for addressing this communication to the Government of India.

5. All these suggested modifications derive a peculiar significance in view of the method and manner in which the Land Acquisition Act has been applied by the Government of Bombay for purposes of their Development Department. There have been numerous complaints with regard to this application of the Act to the acquisition of land by the Development Department and my Committee will address another communication to the Government on the whole question. In the meanwhile they would like to express their emphatic opinion that the Land Acquisition Act should be amended so as to provide that in all such cases of acquisition of land not only for industrial purposes but also for the so-called public purposes the enquiry should be held as at present under Section 40 of the Act and that the report of the officer making the enquiries and the draft agreement as provided for under Section 41 should be laid on the table of the Legislative Council for a prescribed period before the agreement is executed. It would then be open to any members to move a resolution that compulsory acquisition should not be allowed. Acquisitions of land for purposes of the Government (excepting for Railways and Military Works) as well as acquisitions for Industrial purposes should both be subject to the same procedure in order to obviate any injustice and unfairness with regard to the acquisition procedure. If the Legislature decide in favour of acquisition of a particular plot the party whose land is thus intended to be acquired should still have open to him the recourse of appealing to the highest Judicial Tribunal in the matter of compensations, etc., which may be the work of the executive.

6. My Committee hope that this representation will receive the favourable attention of the Government of India while the question of amending the Land Acquisition Act in several directions is before the Legislature.

I have etc.

J. K. MEHTA,
Secretary.

No. 997-46-7-

Government Of India.

DEPARTMENT OF REVENUE AND AGRICULTURE.

(Land Revenue).

To

The Secretary, Indian Merchants' Chamber & Bureau,

BOMBAY.

Simla, the 3rd October 1922.

Proposed amendment of the Land Acquisition Act, I of 1894.

Sir,

I am directed to acknowledge the receipt of your letter No. T. 983, dated the 14-16th September 1922 on the subject of the amendment of the Land Acquisition Act, and to say that views of your committee have been noted.

2. The Government of India regret that they are unable to furnish you with a copy of the replies of local Governments and administrations to their circular letter No 593-34-3. dated the 21st June 1920.

I have etc.

J. W. HEARN,

Under Secretary.

Appendix 55.

Suggested Amendment of the Merchandise Marks act regarding the marking of goods made in the United kingdom with the country of origin.

5th Septembr, 1922.

T. 940.

To,

The Collector of Customs,

BOMBAY.

Dear Sir,

The attention of my Committee is drawn to the accompanying piece of Dhoti. It is understood that all piecegoods imported from the United Kingdom should have all the marks etc. stamped in English to show their English origin, as such goods are not required to have the stamp, as is the case with foreign articles, of "made in the United Kingdom". In this connection my Committee beg to draw your attention to the Note No. 3 to the Section 33 of the Merchandise Marks Act wherein it is provided that "in particular cases however, where there is good ground for considering that the use of such plain ticket designs is specially designed to convey the impression of Indian origin, they should be considered to be false trade description." The accompanying Dhoti has all marks stamped in Gujerati and there is nothing to distinguish it from Dhotis made in local mills. My Committee have asked me to request you to inform them if this Dhoti infringes the Merchandise Marks Act and if it does, to take steps to prohibit such consignments which are in a way a fraud on local mills.

Yours faithfully,

J. K. MEHTA,

Secretary.

R. S. R. No. 4084.

To,

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Bombay, 11th September 1922.

Sir,

With reference to your letter No. T.-940 dated the 5th September 1922 regarding marking of indication of origin on certain piece-goods made in England,—I have the honour to state that the goods marked as per the sample dhotie forwarded by you do infringe provisions of the Merchandise Marks Act. The consignment of dhoties complained of by you was duly noticed by this department in March last but the goods were allowed to be cleared with a warning as they were represented to be imported for the first time and the importer undertook to take immediate steps to remedy the defect in future orders. No goods arriving here-after with such stamping will therefore be passed unless they are stamped with the necessary indication of origin "Made in England."

Your assumption that all markings on English goods must necessarily be in the English language is not correct. Under the existing rules vernacular characters in accordance with the usage of the trade are allowed on such goods, but misleading stampings which convey the idea that the goods are made in a country other than England are taken as false trade descriptions and are only allowed to be used when accompanied by a definite indication of origin "Made in England" or some indication on the goods that they are the produce of England.

The sample dhotie forwarded by you is herewith returned.

J. A. STEVENS,

Collector of Customs.

T. 1048.

8th October 1222.

To

The Secretary to the Government of India,

Department of Commerce,

SIMLA.

Sir,

My Committee had occasion recently to draw the attention of the Collector of Customs, Bombay, to a consignment of Dhoties recently imported from the United Kingdom. A sample of this consignment is sent under a separate registered cover for the inspection of Government. It will be seen that it has all marks stamped in Gujerati and there is nothing to distinguish it from Dhoties made in local mills. My Committee beg to draw the attention of the Government to Note No. 3 to Section 33 of Merchandise Marks Act wherein it is provided that "in particular cases, however, where there is good ground for considering that the use of such plain ticket or design is specially designed to convey the impression of Indian origin they should be considered to be false trade descriptions." My Committee requested the Collector of Customs to inform them if this consignment infringed the Merchandise Marks Act. A reply was received from the Collector of Customs to the effect that the goods marked as per sample Dhotie forwarded by my Committee did infrings the provisions of the Merchandise Marks Act and that the consignment of the Dhoties complained of by my Committee was duly noticed by his Department in March last but that the goods were allowed to be cleared with a warning as they were represented to be imported for the first time and the importer undertook to take immediate steps to remedy the defect in future orders.

My Committee beg to suggest that the Government of India will be pleased to amend the Merchandise Marks Act to the effect

that all goods made in the United Kingdom should have a stamp showing their country of origin. Such a requirement in case of the goods made in the United Kingdom will make it impossible for frauds to be committed upon the public with regard to British goods. It is hoped in the interests of fair trade the Government will be pleased to accept this suggestion.

I beg etc.

J. K. MEHTA,

Secretary,

No. 5750.

GOVERNMENT OF INDIA DEPARTMENT OF COMMERCE.

Delhi, the 1st November 1922.

To,

The Secretary, Indian Merchants' Chamber and Bureau.

BOMBAY.

Suggested amendment of the Merchandise Marks Act to enforce the marking of goods made in the United Kingdom with the country of origin.

Sir,

With reference to your letter No. T.-1048, dated the 5th October 1922, on the above subject, I am directed to say that the marking of the country of origin on imported goods is not generally compulsory under the Merchandise Marks Act. It is only compulsory, when the trade mark or other mark on the goods would raise a supposition, that such goods were the product of some country other than that in which they were really made.

2 The case now submitted is illustrative of this principle. The design of these piece-goods certainly gave the impression that the goods had been manufactured in India. The Collector of Customs, therefore, on their arrival, warned the importing firm. Exactly the same action would have been taken if these particular goods had been manufactured in France, the United States or in any other foreign country and had arrived in India in this condition.

3. I am to say that the Government of India should not consider an amendment of the law, operative only towards goods made in one particular country, which would be the effect of your suggestion. The principles, on which the law is at present based, are uniform for all countries.

I have etc.

E. ROGER,

for Deputy Secretary to the Government of India.

APPENDIX 56.

Amendment of Section 2 (8) of the Indian Factories Act.

No. 3062-D.

General Department, Secretariat, Fort, Bombay.

Dated the 16th August 1922.

To,

The Secretary, The Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject :—Proposed amendment of section 2 (8) of the Indian Factories Act.

Sir,

I am directed by the Governor in Council to forward herewith a copy of the Government Resolution, No. 3062, dated the 2nd August

1922, regarding the proposed amendment of section 2 (8) of the Indian Factories Act and to request that you will be so good as to favour Government, as early as possible, with the opinion of your Chamber on the proposal made in paragraph 3 of the Government of India's letter, No. L.-1068, dated the 19th July 1922, cited in the Resolution.

I have etc.

H. F. KNIGHT.

Acting Deputy Secretary to the Government of Bombay,

Indian Factories Act.

Proposed amendment of section 2 (8) of—

Government of Bombay General Department.

Resolution No. 3062, Secretariat, Fort, Bombay.

Dated the 2nd August 1922.

Letter from the Government of India, Department of Industries, no. L.—1068, dated the 19th July 1922 :—

"I am directed to enclose for your information copies of a letter received from the Millowners' Association, Bombay, and of the Government of India's reply to it.

"2. The present provision relating to the weekly holiday is, as the Millowners' Association point out, substantially different from that which the Government of India had originally proposed. Amendments were introduced in the Select Committee, chiefly at the instance of certain members from Bombay Presidency, who were anxious to permit the Bombay mills to continue the practice of substituting various Hindu and Mahomedan festivals for Sundays from time to time. The difficulty which has now arisen was certainly not foreseen. The legislature have, in effect, accidentally taken away an advantage which they expressly intended to confer.

"3. The Government of India consider that the difficulty could be removed by altering the present definition of the week to read :

Week means the period between midnight on Wednesday and midnight on the succeeding Wednesday night.

As the substituted day cannot be more than three days' distance either way from the Sunday for which it is substituted, one holiday must fall within every week as above defined. So far as the Government of India can judge the above definition will not involve any administrative difficulties in connection with the other provisions of the Act. Nor should it cause any inconvenience except, possibly, the alteration of a few registers.

"4. In view of the fact that the revised Act is already in operation, the Government of India are anxious that the existing anomaly should be removed at an early date. I am therefore to request that, with the permission of His Excellency the Governor in Council, the Government of India may be furnished with the views of the Government of Bombay at a very early date."

RESOLUTION.—Copies of the letter from the Government of India and accompaniment should be forwarded to the Director of Industries, the Director, Bombay Labour Office, the Remembrancer of Legal Affairs, the Millowners' Association, Bombay and Ahmedabad, the Indian Merchants' Chamber and Bureau, the Chambers of Commerce, Bombay and Karachi, the Social Service League and the Kamgar Hitwardhak Sabha, and they should be requested to favour Government with their opinions on the proposal made in paragraph 3 of the Government of India's letter at a very early date.

By order of the Governor in Council,

H. F. KNIGHT,

Acting Deputy Secretary to Government.

Accompaniment to Government Resolution, General Department, No. 3062, dated the 2nd August 1922.

No. 505-12.

14th June 1922.

From

The Secretary, the Millowners' Association,

To,

The Secretary to the Government of India,

Department of Industries,

SIMLA.

I am directed to forward, herewith, for your information, copies of correspondence which has passed recently between my Committee and the Chief Inspector of factories, Bombay Presidency, with regard to the holidays recommended by this Association for adoption during the current year in accordance with the provisions of section 22, sub-section (1), of the Indian Factories Act 1911.

2. It will be within your recollection in the above connection that the Bill further to amend the Indian Factories Act, 1911, as originally introduced, made provision, in effect, for Sunday to be observed as a compulsory holiday, but that, in consequence of representations made by the industrial community, the Bill in that respect was subsequently amended by the Select Committee with the result that section 22, sub-section (1), has been retained intact except for the addition of the following proviso, namely:

"Provided that no such substitution shall be made as will result in any person working for more than ten consecutive days without a holiday for a whole day."

3. The reason for the retention of the original section is explained by the Select Committee in their report on clause 13 of the Bill in the following words:—

"... ... ... It also meets the various objections which have been raised to the section as it stands in the Bill. The Bill did not appear

to take account of the various important religious holidays which do not necessarily fall upon any particular day in the week."

4. In the light of the foregoing remarks I am to invite your attention to the enclosed * list of holidays recommended by this Association for adoption during the current year and, in particular, to the substitution therein, in accordance with the provisions of the Act of 1911, of Saturday, the 29th July, for Sunday, the 30th idem, and of Monday, the 7th August, for Sunday, the 6th August. These alterations which are occasio ned by two Hindu holidays, namely, Nag Panchami and Narli Purnima, respectively, are opposed by the Chief Inspector of Factories upon the grounds that they are not in accordance with the requirem ents of section 2, clause 8, and section 27 of the amended Act. A similar objection is raised also to the subs titution of Saturday, the 30th September, for Sunday, the 1st Oc tober, the former day being the Dusera holiday. In the opinion of my Committee, however, the amended Act is quite clear on both points.

5. During the proceedings of the Select Committee, the Association's representative, Sir Vithaldas D. Thackersey, Kt., M.L.A., raised the question of the definition of "a week" contained in section 2, clause (8), of the Bill and the difficulties to which it might give rise in the foregoing connection, but he was informed that the proposed amendment of section 22 in the manner already described met the case fully.

6. In the circumstances I am accordingly to request that necessary instructions may be issued with a view to the acceptance by the Chief Inspector of Factories of the object of the amended Act, as defined in clause 13 of the amending Act. If, however, any doubt remains as to the inconsistency of section 2, clause 8, and section 27 in the light of the amended section 22 I am to urge that immediate effect should be given to the provisions of the latter section pending the amendment of the other two sections as otherwise it is clear that the intention of the Legislature to permit of the substitution for Sunday of another holiday is frustrated.

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* Not printed.

Shale Building, 20, Bank Street, Fort,
16th September 1922.

No. T.-985.

To.

The Acting Deputy Secretary to the Government of Bombay,
General Department,
BOMBAY.

Sir,

With reference to your letter No. 3062-D., dated 16th August 1922, regarding the proposed amendment of Section 2 sub-section 8 of the Indian Factories Act, I am directed by my Committee to say that they approve of the proposed amendment.

I have etc.
J. K. MEHTA,
Secretary.

APPENDIX 57.

Proposal to reduce first class fares on the M. S. M. Railway for representatives of firms travelling on business.

THE MADRAS AND SOUTHERN MAHRATTA RAILWAY CO., LTD.

(Incorporated in England.)

General Traffic Manager's Office, Park Town,
Madras, 29th August 1922.

No. R.1-1322-22.

To

The Secretary, Indian Merchants' Chamber and Bureau,
BOMBAY.

Dear Sir,

I have under consideration the introduction, for journeys over the Madras and Southern Maharatta Railways System only of a reduced first class fare to a representative of a firm travelling on the

business of that firm. First class fares are charged on the following basis :—

	Per mile.
For the 1st 300 miles	30 pies
Plus for distances beyond	18 ,,

I believe that a number of journeys made by representatives of firms are short journeys below 300 miles and therefore fares at 30 pies per mile are paid at present. Briefly the proposal is to treat a number of small journeys as one of 3,000 miles to be performed in six months.

2. The total fare payable for 3,000 miles for short journeys of less than 300 miles at 30 pies per mile amounts to Rs. 468-12-0. The fare under the proposal would be Rs. 300, or Re. 1, for every 10 miles of journey. I enclose a few printed copies of the terms under which this reduced rate would be allowed and shall be obliged if you will kindly let me know if the proposal would be of any benefit to business firms. Unless I receive assurance that these tickets at reduced fares will be purchased in sufficient numbers, I do not intend to proceed further with the proposal.

Yours faithfully,
ILLEGIBLE,
General Traffic Manager.

Shale Building, 20 Bank Street, Fort.

5th October 1922.

No. T. 1052.

To

The General Traffic Manager,
Madras and Southern Maharatta Railway Co., Ltd.,
MADRAS.

Dear Sir,

With reference to your letter of the 29th August 1922, No. R.1-1322-22, my Committee believe that the proposal suggested

therein will be of benefit to business firms. They, however, are of opinion that it will not be taken much advantage of by Indian business firms unless the concession proposed extends to journeys by second class also. They suggest, therefore, that the concession should be made applicable both to first and second class travelling by representatives of business firms.

Yours faithfully,
J. K. MEHTA.
Secretary,

THE MADRAS AND SOUTHERN MAHARTTA RAILWAY CO., LTD.

(Incorporated in England).

General Traffic Managers Office, Park Town, Madras,
11th October 1922.

No. R1-1322.

To

The Secretary, The Indian Merchants' Chamber an d Bureau,
BOMBAY.

Dear Sir,

I beg to acknowledge the receipt of your letter No. T.1052, dated the 5th instant and to inform you that the arrangements proposed are intended for 1st class fares only. It is not proposed to extend the concession to second class as well.

Yours faithfully,
ILLEGIBLE,
for General Traffic Manager,

Shale Building, 20 Bank Street, Fort
5th October, 1922.

T. 1054.

To

The General Traffic Manager, B. B. & C. I. Ry.,
" " " G. I. P. Ry.
BOMBAY.

Dear Sir,

My Committee have received a communication from the General Traffic Manager, Madras and Southern Maharatta Railway Company,

Limited, informing them that he has under consideration the introduction for journeys over the Madras and Southern Maharatta Railway system only of a reduced first class fare to represantatives of firms travelling on business of those firms. I am enclosing herewith a copy of the letter my Committee have addressed in reply to this communication for your information. My Committee request you to introduce this concession in case of businessmen travelling by first and second classes on your Railway system, as it will be of much benefit to business firms.

Yours faithfully,

J. K. MEHTA,

Secretary.

BOMBAY BARODA AND CENTRAL INDIA RAILWAY COMPANY.

(Incorporated in England by Special Act of Parliament.)

No. R.238-22-2, dated Bombay, 14th October, 1922.

To

The Secretary,

The Indian Merchants' Chamber and Bureau,

Shale Building, 20 Bank Street Fort

BOMBAY.

Dear Sir,

Your letter No, T.1054 of 5th October 1922.

It is not proposed to adopt the system of booking recently introduced over the Madras and Southern Maharatta Railway, in connection with reduced first class fares to representatives of recognised firms travelling on business, over this Railway.

Yours faithfully,

...

for Ag. General Traffic Manager.

GREAT INDIAN PENINSULA RAILWAY.

(Incorporated in England.)

Chief Traffic Manager's Office,

BOMBAY.

12th December 1922.

No. R.552-21.

To

The General Traffic Manager, M. & S. M. Ry., Madras.

Dear Sir,

Your No. R,1-1322 of 6th November 1922 and 24th November 1922.

Re-concession in fares to representatives of firms travelling on business.

Previous to year 1917 we used to issue first and second class coupon tickets for journey between Bombay and Poona, and Bombay and Deolali, places of frequent resort by Bombay public. The re-introduction of these coupon tickets is under consideration and until this question is finally decided, I regret, I am not in a position to agree to coupon tickets issued by your railway being made available for use on this Railway. However, I shall be obliged if you will kindly let me know what your Chief Auditor and Accountant has to say in regard to through booking on these coupons, and send me a specimen copy of the coupons you propose to issue.

Yours truly,

ILLEGIBLE,

Chief Traffic Manager,

Memo. No. R.552-21 of 12th December 1922.

Copy to the Secretary, Indian Merchants Chamber, 11 Bank Street, Post Fort, Bombay No. 1, Bombay, for information, in reference to his No. T,1271 of 28th November 1922.

I have etc.

ILLEGIBLE,

for Chief Traffic Manager.

Shale Building. 20 Bank Street, Fort,

BOMBAY.

T.136-14.

3rd January 1923.

To

The Secretary,

Railway Board. Government of India,

DELHI.

Some time back my Committee were consulted by the Madras and Southern Maharatta Railway Company, Limited, with regard to the introduction of a reduced first class fare to a representative of a firm travelling on business of that firm. My Committee suggested that the proposed concession should not be restricted to first class but extend to journeys by second class also, as otherwise it would not be taken much advantage of by Indian business firms. My Committee also requested the Bombay Baroda and Central India and the Great Indian Peninsula Railways to adopt similar concestions. The Madras and Southern Maharatta Railway Company in their repl y stated that it was not proposed to extend the concessions to second class as well without stating any reasons, while the Bombay Baroda and Central India Railway Company replied that it was not proposed to adopt the system of booking recently introduced over the Madras and Southern Maharatta Railways. The Great Indian Peninsula Railway Company mentioned in their letter to the Madras and Southern Maharatta Railway, a copy of which was sent to my Committee for their information, that previous to the year 1917 they used to issue first and second class coupon tickets for journeys between Bombay and Poona and Bombay and Deolali and that the re-introduction of these coupon tickets was under consideration and that until this question was finally decided they could not agree to coupon tickets issued by the Madras and Southern Maharatta Railway being made available for use on the Great Indian, Peninsula Railway.

It will be obvious from all these replies that there is a great diversity of system prevailing on all these railways with regard to concessions to commercial travellers. My Committee believe that there is a great necessity for uniformity of procedure on all the Indian Railways with regard to such questions, and will be obliged if the Railway Board will be pleased to take up this question with the different railway Companies in India laying down a uniform procedure of concessions to commercial travellers both by 1st and second class.

I beg etc.

J. K. MEHTA,

Secretary

APPENDIX 58.

Recommendations of the Life Saving Appliances Committee's Report involving structural change in Ships.

No. 3082-C.

General Department, Secretariat, Fort,

BOMBAY.

Dated the 29th July 1922.

To,

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject:—Recommendations of the Life Saving Appliances Committee's Report which involve structural changes in ships.

Sir,

I am directed by the Governor in Council to forward herewith a copy of a letter from the Government of India, Department of Commerce, no. 3659, dated the 15th July 1922, with a request that you

will be good enough to place it before your chamber and to furnish Government with their remarks thereon at an early date.

I have etc.
Illegible.

For Acting Deputy Secretary to the Government of Bombay, General Department.

No. 3659.

Government of India. Department of Commerce.

Simla the 15th July 1922.

From

The Hon'ble Mr. H. A. F. Lindsay, C.B.E., I.C.S.,
Secretary to the Government of India,

To,

The Chief Secretary to the Government of
BOMBAY.

Recommendations of the Life Saving Appliances Committee's Report which involve structural changes in ships.

Sir,

I am directed to refer to paragraph 3 of this Department's letter no. 6402, dated the 11th July 1918 on the above subject.

2. The Government of India then decided to defer consideration of those recommendations of the Life Saving Appliances Committee which would involve structural changes until settled conditions were restored as they did not wish to impose additional burdens on shipping during the war. The most important of the Committee's recommendations in this respect is that in paragraph 5 of the Report which relates to the question of framing rules regarding watertight bulkheads. The Committee recommended that as soon as the new rules for the United Kingdom were passed, a similar standard should be adopted for this country, at any rate for vessels certified to carry more than a hundred passengers.

3. The United Kingdom rules, which are at present provisional in view of the fact that the Merchant Shipping (Convention) Act of 1914 has not yet been brought into force, are contained in the Board of Trade Instructions relating to the construction of passenger steamships issued in 1915 (reprinted in 1922). They, however, generally embody the recommendations of the Convention. For the purpose of applying these rules steamers are divided into three classes, according as their keels were laid (1) on or after the 1st January 1916; (2) on or after the 1st July 1915; and (3) before the date determined by Article 16 of the Convention, namely the 1st July 1915.

4. The position in India is simplified by the fact that as the Government of India did not adhere to the Convention they have a free hand both in framing their rules and in fixing the date and method of their application. They, however, agree with the Committee that it would be simplest to apply the Board of Trade rules. It does not seem necessary to limit the rules, as suggested by the Committe, to vessels carrying more than 100 passengers, as the Board of Trade rules appear to be limited to foreign-going ships and are graduated to apply to large as well as to small steamers. I am to enquire whether the Government of Bombay agree, or whether they consider that any modifications are desirable in these rules before they are applied to Indian foreign-going Passenger Ships or whether any special rules are required for home-trade ships.

5. The next question is the date of application. The Government of India consider that if the rules are made obligatory on all ships the keels of which are laid on or after the 1st of January 1924, ample time will be afforded for the alteration of designs to comply with their requirements. In any case at least twelve months' warning would appear to be necessary before introduction.

6. With regard to existing ships (that is to say ships the keels of which have been or will be laid before the suggested date) it is probable that in view of the fact that practically every steamer engaged in foreign going passenger traffic in India has been constructed in the United Kingdom and in most cases took out its initial registration there, ships constructed after 1916 already comply with

the Board of Trade regulations. At the same time, there is no information to show how far in practice they were applied by surveyors in the United Kingdom granting certificates to passenger steamers which did not intend to ply between the United Kingdom and other countries. The Government of India therefore desire to ascertain how far steam vessels at present employed in passenger traffic in this country comply with the Board of Trade regulations and with what modifications, if any, they should be applied to those vessels.

7. If the Government of Bombay consider that the regulations are already substantially complied with, and that their enforcement would not involve ship-owners in undue trouble and expense, they might suggest a date after which existing vessels should be compelled to adopt themselves to these regulations or in default have their passenger certificates cancelled, or, if this is considered too drastic, after which surveyors might be empowered to reduce the maximum number of passengers in the case of vessels which did not comply with the regulations. The Government of India would be glad to receive any suggestion which would enable the rules to be applied to existing ships with or without modifications.

I have etc.

(Sd.) J. B. Taylor,

Under Secretary.

For Secretary to the Government of India.

16th September 1922.

T-987.

To,

The Acting Deputy Secretary to the Government of Bombay,

General Department,

BOMBAY.

Sir,

With reference to your letter No. 3082-C., dated 29th July 1922, regarding recommendations of the Life Saving Appliances Committee's report, I am directed by my Committee to say that they have no views to offer on the same.

I beg etc.

J. K. MEHTA,

Secretary.

APPENDIX 59.

Revision of parts 2 and 3 of the International Sanitary convention of 1912.

No. 1701-D

GENERAL DEPARTMENT, SECRETARIAT, FORT, BOMBAY.

Dated the 23rd August 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject.—Revision of the International Sanitary Convention, 1912.

Sir;

I am directed by the Governor in Council to forward herewith copy* of this Government Resolution, No. 1701, dated the 31st July 1922, on the subject mentioned above, and to request that the views of your Chamber in the matter may be communicated to Government at a very early date.

I have etc.,

H. F. KNIGHT.

Acting Deputy Secretary to the Government of Bombay, General Department.

* With a copy of the report of the special Committee of the League of Nations.

Shaie building 20 Bank Street, Fort.

16th September 1922.

T 986.

To,

The Acting Deputy Secretary to the Government of Bombay, General Department, BOMBAY.

Sir,

With reference to your letter No. 1701-D., dated 23rd August 1922, regarding revision of the International Sanitary Convention of 1912, I am directed by my Committee to say that they have no views to offer regarding the subject matter of your letter.

I beg etc.,

J. K. MEHTA.

Secretary.

Appendix 60.

Difficulties experienced by the Alembic Chemical Works Co. of Baroda in the matter of the exports of spirits and spirituous preparations from their factory at Baroda to British India.

REVENUE DEPARTMENT SECRETARIAT, FORT BOMBAY.

Dated the 22nd August 1922.

To

No. C-214.

The Secretary,

Indian Merchants' Chamber and Bureau.

Subject.—Difficulties experienced by the Alembic Chemical Works Company of Baroda in the matter of the export of spirits and spirituous preparations from its factory at Baroda to British India.

Sir,

I am directed by the Government of Bombay (Transferred Departments) to refer to the correspondence ending with your letter No. T.1439 dated 16th August 1920 on the subject noted above. The correspondence raises the following points :—

(*a*) Provision of a bonded warehouse within the precincts of the Baroda Railway Station where all preparations of the Alembic Chemical Works Company can be stored prior to despatch to their destination ;

(*b*) levy of duty at the time of clearance of goods for consumption or despatch to their destination instead of at the time of application for permit

(*c*) levy of duty on the Company's products at the ordinary excise rates instead of at the Indian Tariff Act rates ;

(*d*) use of the company's products by Government departments ;

(*e*) discontinuance of the practice under which the company is required to deposit a large sum in Government promissory notes to cover its transactions ;

(*f*) removal of the embargo on the entry into the Punjab of the company's products ; and

(*g*) grant of facilities for the import in bond into Bombay of the company's preparations intended for export by sea to foreign countries.

I am now to communicate the view of Government on these points.

2. Arrangements have been made with the Bombay, Baroda and Central India Railway Company for the provision of a site within railway limits for the erection of a warehouse by the Alembic Chemical Works Company. When the warehouse is brought into use points (a), (b) and (c) in the foregoing paragraph will be met.

3. Point (c) in paragraph 1 *supra* is under separate consideration.

4. With reference to point (d) in paragraph 1, I am to state that in view of the fact that the Company's preparations are now well known and there are other manufacturers in the field Government do not consider it necessary to issue any special instructions to Heads of Departments directing the use of its products.

5. As regards point (f)—prohibition of the import into the Punjab of the company's products-the Government of that province have been requested to reconsider the position.

6. Orders have already been issued permitting the import in bond into Bombay, without payment of tariff duty, of such of the company's liquors and spirituous preparations as are intended for export by sea to foreign countries. This disposes of point (g) in paragraph 1 *supra*.

I have etc.

A. R. SERVAI,

For Deputy Secretary to the Government of

Bombay, Revenue Department.

The Alembic Chemical Works Co., Ltd.

Baroda Residency, 30th August 1922.

No. 1657.

To

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

We are in receipt of a copy of Deputy Secretary's (Government of Bombay) letter dated 22nd instant addressed to you and forwarded to us under your No T.904, dated 28th August 1922 and thank you very much for helping us in the matter.

Yours faithfully,

ILLEGIBLE,

Manager.

Appendix. 61.

Precautions against fire and distress signals on board Native Passenger Ships.

No. 1849-C.

General Department,

Secretariat, Fort,

BOMBAY.

Dated the 7th July 1922.

To,

The Secretary, the Indian Merchants' Chamber and Bureau.

Subject:—*Native Passenger Ships*—Rules regarding precautions against fire and distress signals on board Native Passenger Ships.

Sir,

I am directed by the Governor in Council to forward herewith a copy of Government Resolution, No. 1849, dated the 21st June 1922, on the subject noted above, and request that your Chamber may be asked to favour Government with their views on the rules framed by the Government of India, at an early date.

I have etc.

S. N. Ziman,

Deputy Secretary to the Government of Bombay.

General Department.

Native Passenger Ships.

Rules regarding precautions against fire and distress signals on board.—

GOVERNMENT OF BOMBAY,

General Department.

Resolution No. 1849.

Secretariat, Fort,

BOMBAY.

Dated the 21st June 1922.

Letter from the Government of India, Department of Commerce, No. 2385, dated the 10th May 1922 :—

"In reply to your letter No. 1849-C., dated the 19th April 1922, * I am directed to say that the Government of India appreciate equally with the Government of Bombay the desirability of formal conformity with the Board of Trade Regulations and of accepting no divergencies except where they are required by local conditions. Unfortunately as was explained in my letter No. 7480 of the 3rd January, it is impossible in this case simply to transfer the Board of Trade Regulations to India. In the first place, the Merchant Shipping (Convention) Act of 1914 on which the draft rules are based specifically excludes India from its scope under section 24 and as the Government of India do not propose at present to legislate on similar lines it is necessary to issue a self—contained body of rules under their existing Acts. In the second place, the Maritime Convention Act has not yet come into force and the Board of Trade have, therefore, not yet issued regulations under it. They have, however, as was pointed out in my letter, issued various handbills explaining the tenor of the regulations they propose to adopt and advising shipowners to make the necessary structural alterations in anticipation.

* Not printed here Vide file No. R 118 of 1922.

"2. The Government of India accordingly collated the substance of these handbills and compared them with the suggestions made by local Governments in the correspondence mentioned in paragraph 1 of my letter, and drafted the body of rules forwarded therewith as a basis for discussion, pointing out where they diverged from the Board of Trade Rules.

"3. The points of reference to your local Government were two in number; first, that in consultation with shipping companies and other interests concerned you might criticise the rules in their applicability to the Native Passengers Act and advise what, if any, changes were required to meet local conditions; and second, to advise whether the rules should also be applied to pilgrim ships. In view of the obvious desirability of announcing simultaneously the structural changes that may be required in Indian passenger ships under these Convention Rules and under any new rules that may be introduced in the Native Passenger Ships Act in accordance with the recommendations of the Native Passenger Ships Committee, I am to request that the Government of India may be favoured with a detailed criticism of these Rules by the Government of Bombay at an early date, after consulting local shipping interests."

RESOLUTION.—Copies of the letter from the Government of India should be forwarded to the Port Officer, Bombay, the Commissioner in Sind, the Political Resident, Aden, and the Commissioner of Police, Bombay, for favour of report after consulting the shipping companies. The Bombay and Karachi Chambers of Commerce and the Indian Merchants' Chamber and Bureau should also be asked to express their opinion on the Rules,

By order of the Governor in Council.

S. N. Ziman.

Deputy Secretary to Government.

T.-882.

To,

S. N. Ziman Esqr., I. C. S.,

Deputy Secretary to the Government of Bombay,

General Department,

BOMBAY.

Sir,

With reference to your letter of the 7th instant, No. 1849-C., it was submitted to a Sub-Committee of this Committee whose opinion on the same I am directed to send hereby. This opinion it may be mentioned, has been generally endorsed by my Committee.

The Government of India are now logislating to make permanent the various suggestions which have been from time to time published by the British Board of Trade in their various handbills, the first number, 369 being dated as early as September 1915. All the official requirements bearing on the above subject have therefore been enforced since that date and my Committee presume that what is now attempted is merely a formal procedure. It follows, they think, that no new changes are demanded except those that have been in force practically since the commencement of the war. They cannot understand, therefore, why the question of additional costs should now arise and fear that the suggestion to enhance the fares made by the Government of India in para 8 of their letter can only be regarded an invitation to increase the passenger fares which are already too high. My Committee are informed in this connection that all the additions and alterations suggested by the Government would, if carried out add only a trifle to the capital costs or to running expenses of ships.

With reference to the draft rules regarding "precautions against fire and distress signals on board Native passenger ships" paras 3 and 18, instructions to use the fire extinguishers should in addition to being put up in English, be also printed in vernaculars.

I beg etc.

J. K. MEHTA,

Secretary.

Appendix 62

Dumping of Iron goods.

No. G.-1241-22.

Bombay, 2nd September, 1922.

To,

The Chairman,

Indian Merchants Chamber and Bureau,

BOMBAY.

Dear Sir,

We have pleasure in sending you herewith a copy of the speech delivered by Sir Dorab Tata as Chairman of the Annual General Meeting of the shareholders of this Company held on Thursday the 24th ultimo. There is one point therein to which we desire to draw the particular attention of yourself and your Chamber, namely, the present fiscal policy of Government which permits the dumping of iron and steel materials in this country and the unfair competition referred to on pages 4 and 5 of the speech. May we request your Committee to make such representation to Government in the matter as your Chamber considers necessary?

Yours faithfully,

TATA SONS LTD., AGENTS,

J. C. K. PETERSON,

Director.

Shalo Building. 20 Bank Street, Fort,

No. T.-1072

6th October 1922.

To,

The Secretary to the Government of India,
Department of Commerce.

SIMLA.

Sir.

I am directed by my Committee to invite your attention to the penultimate para (copy enclosed herewith) of the speech delivered by Sir Dorabji Tata, the Chairman, at the last annual general meeting of the Tata Iron & Steel Company.

2. It is now more than a year since the Government of India decided to investigate the question of tariff revision. In the opinion of my Committee that decision had already been delayed longer than was either safe or desirable. The war resulted in a great increase in the productive capacity of the factories of the world. During its continuance practically the whole production of the combatant countries was rigorously controlled. It must have been obvious to every Government that at its close the lower purchasing capacity of the world, coupled with the increased power of production and the removal of control, would lead to intense competition in all open markets for such trade as could be obtained, and almost every Government immediately after the war took steps to protect adequately essential or key industries. In proof of this statement we need only refer to the legislation passed in Great Britain for the safeguarding of key industries, the heavy duties placed upon steel by the Government of Australia and the system of bounties lately approved by the Govrnment of South Africa for iron and steel manufactured in that country.

3. In India alone upto date nothing has been done and the result of this policy of drift is that already this great key industry which has been started successfully in this country by Indian enter-

prise and capital, in the face of many discouragements, is now in grave danger arising from unfair competition In this respect the case of the steel industry after the war is peculiar. During the war, the production of steel was directly encouraged and was enormously extended in Great Britain, America and other countries, and at its conclusion the new and extended plants in those countries, faced with the declining market in Europe and America, were compelled to seek any possible outlet for their increased capacity. In addition, many of the Belgian and French steel makers were enabled to pro cure large supplies of scrap from the battle—fields at extremely low rates and in Belgium, in particular, special bounties were granted by the Government for export. A further advantage possessed by the Belgian and French manufacturers is the fact that they have been receiving, as part of the reparation payments, coal from Germany at extremely low prices owing to the depression of the mark. It is always extremely difficult to prove the existence of dumping owing to the difficulty of ascertaining the exact effect of secret bounties, concessions and freight rates that may be granted in foreign countries and to the difficulty of estimating the exact effect of such causes. But one very significant fact is that for months the quotations for steel for export in the British Trade papers have been consistently lower by 20 to 30s. a ton than the quotations for home consumption. My committee are aware that a good deal of evidence of this nature was placed before the Fiscal Commission whose report has just been published. In paragraph 139 of this Report it is stated :—

> "We therefore recommend that the Government should consider the desirability of introducing a measure more on the lines of that passed in the United States whereby power should be taken to impose a dumping duty when, after enquiry by the Tariff Board, it has been established that dumping is taking place, and that it is injuring or is likely to injure an Indian Industry. The Customs Tariff (Industries Preservation) Act, 1921, passed by the Commonwealth of Australia in December 1921, contains a provision which we think would be generally suitable

to Indian conditions. Section 4 (1) and (2) of the Act runs as follows :—

"If the Minister is satisfied, after enquiry and report by the Tariff Board, that goods exported to Australia, which are of a class or kind produced or manufactured in Australia, have been or are being sold to an importer in Australia at an export price which is less than the fair market value of the goods at the time of shipment, and that detriment may thereby result to an Australian industry, the Minister may publish a notice in the Gazette specifying the goods as to which he is so satisfied."

"Upon the publication of the notice there shall be charged, collected and paid to the use of the King for the purposes of the Commonwealth, on those goods imported into Australia a special duty (in this section referred to as "the dumping duty")."

"It will of course be understood that the enquiry by the Tariff Board must be conducted with all possible expedition, so that if dumping exists the period during which the industry suffers may be reduced to a minimum.

4. My Committee, therefore, request the Government of India that they should examine this question most carefully and should not permit an essential key industry to be endangered further by any delay in the application of such recommendations as have been made by the Fiscal Commission.

I beg etc.

S. M. Muzumdar.

for Secretary.

No. 5759.

GOVERNMENT OF INDIA.

Department of Commerce.

Delhi, the 1st November 1922.

To,

The Secretary,

Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

In reply to your letter, No. T..1072, dated the 6th October 1922, I am directed to say that a detailed representation on the subject has now been received from the Tata Iron and Steel Company and is now under examination.

I have etc.

D. T. CHADWICK,

Secretary to the Government of India.

APPENDIX 63.

Revision of the list of articles specified in the Sea-Borne Trade of British India

No. 6380

COMMERCIAL INTELLIGENCE DEPARTMENT, INDIA

Calcutta, the 26th September, 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject:—Revision of the list of articles specified in the foreign sea-borne trade returns of British India.

Sir,

I have the honour to state that the question of additions to, or alterations in, the list of articles separately specified in the foreign

sea-borne trade returns is now under consideration in this Department and to request that you will be so good as to forward any proposals or modifications you may wish to make in the lists now in use.

2 An early reply will be much appreciated.

I have etc.

J. K. STANFORD,
for Director-General.

T. 1218.

20th November, 1922.

To,

C. G. Freke, Esq., I. C. S., Offg. Director-General of Commercial Intelligence India,
CALCUTTA.

Sir,

With reference to your letter No. 6380, dated the 26th September 1922, I am directed to make the following suggestions:—

With regard to Diamonds and Pearls, there should be three sub-divisions viz., (1) Diamonds, (2) Pearls, and (3) Precious stones., Pearls have no import duty while precious stones are mostly exported from England. Again the pearl business is quite different from diamond business and merchants for these two commodities are generally not the same.

Articles in which manufactured rubber is the principal constituent are at present imported under the following heads:—Railway material, Telegraph and telephone material, Electrical goods and sundries, chemists' & druggists' stores, surgical goods, hospital supplies, motor-car and cycle covers and tubes, toys, shipchandlers' goods, engineering stores, mill stores, stationery. Further it is difficult to know under which head of the return items like rubber piping, hose, sodawater bottle rings, laundry rolls, rells for paper mills, printing press, lithography, sugar works, rubber tiles, rubber matting, elastic rubber tape for various purposes, are placed.

As the returns are at present prepared, it is impossible to get the exact figure of the total amount of manufactured rubber goods imported. Accurate figures in this direction would be of great value to manufacturers in this country and to those who desire to trade.

I beg etc.

J. K. MEHTA,

Secretary

APPENDIX 64

Import duties levied by the Government of East Africa on unbleached Cotton piecegoods.

Telegram from Mombasa, Indian Merchants' Chamber.

Proposed new tariff unbleached piece goods 5d per lb. gross weights whereas bleached remains ad-valorem 20 per cent. seriously affect Indian foreign trade whole of Eastern Africa meaning differential treatment represent strongly Viceroy Colonial Office. It was to (be) to keep to ad-valorem.

"Indian Chamber".

8th November 1922.

T. 1177.

To,

The Secretary to the Government of India,

Department of Commerce,

DELHI.

Sir,

The attention of my Committee has been drawn to the new tariff adopted by the Government of East Africa. This new tariff has provided for unbleached piecegoods being charged an import duty of 4-5/16 d. per pound, while the duty on the bleached piecegoods remains unchanged. at 20 per cent. *ad valorem*. It is naturally feared that this new duty on the unbleached piecegoods will put the

Indian unbleached goods to disadvantage. I am directed to enclose herewith copies of statements of imports of unbleached cotton piecegoods into Kenya and Uganda in yards together with their respective values from 1913-14 up to date as also imports of cotton piecegoods bleached therein. I am also enclosing a statement showing exports of Indian piecegoods to British and Portuguese East Africa, both bleached and unbleached. From these statements it will be seen that about 60 per cent (of the value) of unbleached piecegoods were from India or Burma, whereas of the bleached and other types of piecegoods imported into East Africa during the same period only 10 per cent were from India or Burma. The Indian Trade Commissioner for East Africa in his letter of the 11th September 1922, No. 362, a copy of which has been supplied to my Committee by the Mombasa Indian Chamber of Commerce, points out that upto the end of the year 1920-21 imports from India accounted for about 70 per cent of the total of unbleached piecegoods. This is the only articles in the Schedule for which duty is suggested on gross weight and Mr. Leftwich is right in observing that "there is a wide-spread feeling in the Indian Mercantile Community that the imposition is a deliberate differentiation against Indian trade."

My Committee draw your attention also to the observation of the Bombay Millowners' Association in their representation to you dated 5th October 1922, No. 824-123 of 1922, that the proposed change is liable to give undue preference to a certain section of the trade.

East Africa supplies a very good market to the products of the Indian textile industry and such a duty as is now levied will mean creating a heavy handicap against it. My Committee beg, therefore, to approach you with a request that the Government of India will be pleased, in view of the fact that these duties have already been levied, to approach the Right Honourable the Secretary of State for the Colonies requesting him to exercise his powers to disallow the said Ordinance which is numbered 13 of 1922 "the Customs Tariff Ordinance, 1922".

I beg etc,

J. K. MEHTA,

Secretary.

No. 6062.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

Delhi the 17th November 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

With reference to your letter No. T—1177, dated the 8th November 1922, on the subject of the new Customs duties imposed in Kenya Colony on Cotton piece-goods, I am directed to say that the India Office had already been asked to place the matter before His Majesty's Secretary of State for the Colonies. The Government of Kenya Colony has also been addressed on the subject both by the Government of India and the Indian Trade Commissioner in East Africa.

These letters have been forwarded in continuation.

I have etc,

E. F. ROGERS,

Assistant Secretary to the Government of India.

APPENDIX 65.

Rate of exchange for past due bills drawn in Foreign Currency.

13th September 1922.

To,

The Secretary to the Government of India,

Finance Department,

SIMLA.

Dear Sir,

I am directed by my Committee to request you to let them know if Government of India have been approached with a suggestion

to pass fresh legislation on the lines of Hongkong Bills of Exchange Ordinance, 1921. This ordinance reads as follows:—

> "Where a bill is drawn out of but payable in this colony, and the sum payable is not expressed in the currency of this colony, the amount of the Bill if paid in this colony and in the currency of this colony, shall, in the absence of any express stipulation, be calculated according to the rate of exchange for sight drafts in this Colony on the day on which the bill is actually paid."

My Committee will be much obliged if Government will be pleased to supply them with a copy of any such representation which may have been received by them.

Yours faithfully,

S. M. MUZUMDAR,

for Secretary.

No. 2095 F.

GOVERNMENT OF INDIA FINANCE DEPARTMENT.

Simla, the 30th September 1922.

To

The Secretaries of all the Chambers of Commerce

(other than those who are members of the Associated Chambers of Commerce of India and Ceylon and the Indian Merchants' Chamber and Bureau.)

Subject:—Rate of exchange for past due bills drawn in Foreign countries.

Sir,

I am directed to forward a copy of a letter from the Associated Chambers of Commerce of India and Ceylon No. 722-A. C., dated the 6th September 1922 (with enclosure) and to request that this Department may be favoured with an expression of the opinion of your Chamber on the question raised therein.

(Sd.) D. N. DUTT.

Addl. Dyputy Secretary to the Govt. of India.

No. 2096 F.

Copy forwarded to the Indian Merchants' Chamber and Bureau with reference to its letter No. T/977, dated the 13th September 1922, with the request that this Department may be favoured with an expression of the opinion of the Chamber on the question raised.

By order, etc.,

D. N. DUTT,
Addl. Deputy Secretary to the Government of India.

6th September 1922.

No. 722-A.C.

To

The Secretary to the Government of India,
Commerce Department.

Sir,

I have the honour to inform you that the members of this Association have had under consideration the position in view of the recent judgment in the Bombay High Court in the case of *Muller Maclean Co. Ltd.* vs. *Kadarbhoy Mulla Esmailji*; an abbreviated report* of the judgment is attached hereto for reference. According to the Court's decision, past due bills drawn in foreign currencies are payable at the rate of exchange ruling on the date of the maturity of the Bill, and not at the rate ruling on the date of judgment or payment.

2. The decision of the learned judge is one which very materially affects exchange banks and also merchants in India. His Lordship explains that the Negotiable Instruments Act does not expressly meet the point, and the judgment is based on the English authorities. It is not, however, in accordance with what has long been the practice here, and what has always been accepted and recognised as an equitable practice. Briefly put, and leaving out any question of interest, the position is as follows :—The drawer of a sterling bill is entitled, on the date of maturity, to such a number of rupees as will

* Not printed here.

give him the amount in the bill. That is to say, if the bill is for £100, and the rate of exchange at the date of maturity is 2s. the acceptor has to pay the sum of Rs. 1,000. If the acceptor fails to meet the bill on maturity, and the drawer has to sue him for the amount, it may be that by the time he gets judgment in his favour the rate of exchange has fallen to 1/4d. It follows that, if he is to receive the sterling amount which he would have received had the acceptor not defaulted on the maturity of the bill, the acceptor must pay the sum of Rs. 1,500. According to the judgment, however, the acceptor will pay only Rs, 1,000 and through no fault of his own, the drawer receives only £66·13-4. This is obviously most unfair. It may of course be argued that if the exchange had gone the other way the drawer of the bill would, on the basis of the judgment, benefit but this is beside the point, because he has contracted for a definite amount in sterling and he is not concerned with the fluctuation of exchange; and if he received that amount there would be no question of raising a suit.

3. The legal position being as stated by the learned judge, the Association are very strongly of opinion that steps should be taken to meet the case by adopting remedial legislation. They would ask that this legislation should be undertaken at a very early date, and they would suggest that it might follow the lines of the Hongkong Bill of Exchange Ordinance 1921, which reads as follows :—

"Where a bill is drawn out payable in this Colony., and the sum payable is not expressed in the currency of this Colony, the amount of the bill, if paid in this Colony and in the currency of this Colony shall, in the absence of any express stipulation, be calculated according to the rate of exchange for sight drafts in this Colony *on the day on which the bill is actually paid.*"

The Association trust that this proposal will commend itself to the Government of India, and that the necessary legislation will be initiated forthwith.

I have, etc.,

(Sd.)

Acting Secretary.

8th November 1922.

T 1176.

To,

Addl. Deputy Secretary to the Government of India,

Finance Department,

DELHI.

Sir,

With reference to the endorsement No. 2096-F., to the circular letter dated 30th September 1922, No. 2095-F., of your Department, I am directed by my Committee to send their views hereby.

My Committee are of opinion that for all overdue bills the rate of exchange should be the rate ruling on the day of maturity of the bill and that there is no necessity for any change in the procedure followed upto this time and recognised by the Bombay High Court. They are also of opinion that where a bill is drawn out of but payable in this country and the sum payable is not expressed in the currency of this country the amount of the bill if paid here may be paid either in the local currency or by a demand draft of an approved Bank in the same currency in which the bill was drawn and shall in the absence of any express stipulations be calculated in the case of payment in the currency of this country according to the rate of exchange for sight drafts in this country on the day on which the bill falls due.

I beg, etc.,

J. K, MEHTA,

Secretary.

APPENDIX 66.

Purchase of Locks and Safes from Messrs. Godrej & Boyce Manufacturing Co.

25th August 1922.

T 903.

To,

The Secretary to the Government of Bombay,
Home Department,
BOMBAY.

Sir,

The attention of the Committee of this Chamber has been drawn to the reply given by the Government in the last Session of the Legislative Council to a few questions by Mr. Trivedi regarding orders for safes to Messrs. Godrej. The final reply given by the Hon'ble the Finance Member on the last day of the Council Session is unfortunately not available to the Committee in extenso. Perhaps you may be good enough to send me a copy of the same. But the main question that strikes my Committee is, what is the policy of the Government regarding industrialists or commercial men working in politics? It is not unlikely that such persons may have extreme views, views which may appear to Government either correctly or otherwise, to be undesirable. Would Government be justified under any impression of such views held by a person in the industrial line in cutting off their patronage to concerns in which such a person may be interested? My Committee do not know, if Government have done this in this particular instance of Messrs. Godrej, but they certainly think that at this stage the commercial community ought to know exactly what the policy of the Government of Bombay is. On the one hand we see Government declaring unequivocally their readiness to encourage indigenous industries and it would be a great setback to the industrial regeneration of India if persons interested in this line must needs keep away from politics or belong, against their conscience, to a school of politics which the Government may approve, but which

cannot meet with the wishes of such persons. Till now, unfortunately for the country, there has been a paucity of commercial and industrial men in Councils and generally in the political life of the country. Government themselves have expressed several times the desirability of more commercial men taking interest in the public welfare of the country. My Committee therefore are very much concerned as to the point up to which Government are prepared to keep their patronage for industrial and commercial concerns apart from the political views of persons controlling such concerns. They would therefore very much welcome an explicit expression of the views of His Excellency the Governor-in-Council on this very important question.

I beg, etc.,

J. K. MEHTA,

Secretary.

No. 357-P.

SEPARATE DEPARTMENT, SECRETARIAT, FORT, BOMBAY.

Dated the 16th September 1922.

To,

The Secretary, Indian Merchants' Chamber and Bureau.

Subject:—Godrej Safes.

Sir,

I am directed to reply to your letter of 28th August and to enclose for your information a copy of the reply given by the Honourable Mr. Lawrence in the Legislative Council on 31st July 1922.

2. There has been no change in the general policy of Government towards industrialists or commercial men working in politics.

I have etc.

(Sd.). P. J. MEAD,

Chief Secretary to the Government of Bombay,

Separate Department.

Copy of the reply given by the Honourable Mr. Lawrence in the Legislative Council on the 31st July 1922 :—

A safe had been on order from this firm for a long time. Reminders were sent asking for delivery. The safe was not delivered and no notice was taken of the reminders. Meanwhile Government were informed that the head of this firm had shown his sympathy with the non-cooperation movement by placing a large sum of money at the disposal of the promoters. The danger of entrusting the confidential records of the State to safes and boxes manufactured by persons hostile to the State is obvious; and in May last Government issued an order prohibiting all dealings with this firm. In matters of this nature it will be obvious that the primary consideration of Government must be the safe custody of valuable public records.

T 1135.

25th October 1922,

To,

P. J. Mead, Esqr. C.S.I., C.I.E., I.C.S.,

Chief Secretary to the Government of Bombay,

BOMBAY.

Sir,

In acknowledging the receipt of your letter No. 357-P of the 16th September 1922, I am directed by my Committee to inform you that they are constrained to say that both your letter under reply and the reply of the Hon'ble Mr. Lawrence in the Legislative Council have missed the main issue involved in the question on which they beg to address you again to make their point quite clear.

2. The contention of Government in their brief reply that "there has been no change in the general policy of the Government towards industrialists and commercial men working in politics" is hardly borne out by the facts of the case in question; and a general statement of the kind made, vague as it is, is, my Committee venture to think, no explanation of, or a reply to, the question raised. While my Committee do not wish to enter into the merits of the particular case referred to in the correspondence, they cannot but apprehend that the reasons adduced by Government in support of and subsequent to the action that they took in it, are of so general a kind and elastic in their meaning and application, that, if accepted, they are likely to involve a serious modification in the rules governing the purchase of Government Stores in India, and for all practical purposes lend themselves seriously to affect the policy laid down by the Legislature for the purchase of such stores. What Government is concerned with in the purchase of its supplies is, to the best belief of my Committee, the business capacity and integrity of the firm and its ability to supply articles of required specifications at a reasonable price, in a reasonable time. In the preamble of the rules for the supply of articles for the Public Services, which the Government of India very lately circularised amongst all Local Governments and commercial bodies, it was definitely stated that the policy of the Government of India was to make its purchases of stores for public services in such a way as to encourage the industries of the country so far as was consistent with economy and efficiency.

3. In the reasons given in the present instance for refusal to purchase, Government have sought to lay down that stores required for their use shall not be purchased from "persons hostile to the State". My Committee fear that they cannot see their way to accept the modification of the rules that such a condition involves. For one thing, a judgment on whether a person is hostile to the state or not lies not with the Executive but with judiciary. If the Executive are to arrogate to themselves the power of declaring whether a person is, or is not, 'hostile to the State', the liberty of the citizen, let alone the fortunes of his business, would be gravely jeopardised. The Executive then could within its own judgment

declare a person or a firm as "hostile to the state", without his or their being tried under the law of the land, and pronounced guilty of any act of hostility against the State. The law of the land requires that such persons, if considered by the Executive to be "hostile to the State", should be tried before the Courts, which alone can judge whether or not they are guilty of the offence with which they are charged. Then again, the principle sought to be introduced necessitates definition of what constitutes "hostility to the State", This, however, the law of the land provides; and it does not rest with the Executive, either to enlarge or to take away from that definition, or even to interpretre it, in supersession of the Law. As long as a person or a firm is not convicted before a Judicial tribunal they must be presumed to be innocent, as the law itself requires them to be, and as such they should not be declared by the Executive as persons "hostile to the State" fit to be placed on the black list.

4. In the particular case that has necessitated this correspondence Government have declared that the party in question is "hostile to the State." My Committee feel that this is a serious charge to make. And if Government believed that such a charge was justified by any act committed by the party, there was nothing to prevent its being subjected to the judgment of the law. If however it is suggested that the political opinions of a person by themselves are sufficient for the Executive to declare him as "hostile to the State", even though no over act of hostility is or can be proved, then all that my Committee would say is that if people are liable to be so declared, merely on the ground of the opinions that they held as judged by the Executive, it means the end of constitutional freedom, and the liberty of thought, let alone that of speech or action. As it happens, there cannot be only one set of views in politics, and Government cannot be unaware of the fact that even in the self-governing countries of the west there exist persons and parties holding political views which are strongly opposed to the Government of the day. To the knowledge of my Committee their Governments do not declare such persons or parties as "hostile to the State" for holding such views, nor make that a reason for refusing to purchase from individuals who, or from firms the members of

which, in their private capacity, may happen to hold such political views. Public feeling for instance, would be strongly aroused if a Coalition Government refused contracts to persons who were either reactionary Tories or Radicals in politics, for no other reasons than their political views.

5. My Committee wish me to assure you that in addressing Government again on this question they are not so much concerned with the action taken by Government in this individual instance as with the serious principle involved in it. If such discrimination on political grounds was to be accepted, it would constitute a negation of the declared policy of the purchase of Government Stores in India, and the rules framed thereunder. It would mean the elimination of a number of sound firms making a number of articles, even though they satisfied the conditions of the purchase, including inspection by Government Agency. It would mean that Government could only purchase from those firms the members of which held no political opinions of their own as were opposed to Government politically, other conditions being satisfied. It would mean that the purchase of stores in India would be a matter of Government favour, apart from the intrinsic merits of the articles purchased. In a word, the policy would then tend to be one of Government patronage, pursued for political purposes, without any regard to business considerations, or the needs of economy and efficiency, combined with those of the country's industrial development. It is this larger issue involved in the question that my Committee consider as likely to cause grave harm to Indian industrial and commercial interests, once such an obnoxious principle is accepted. Government have tried to do away with personal and individual corruption in the administration of the state. But a worse form of curruption threatens to be introduced, and that is when the state itself buys political support from out of the public purse.

I beg etc,

J. K. MEHTA,

Secretary.

No. 1613-E.

FINANCE DEPARTMENT SECRETARIAT, FORT, BOMBAY.

Dated the 11th November 1922.

To

The Secretary, The Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject:—Purchase of locks and safes from Messrs. Godrej & Boyce Manufacturing Company.

Sir,

I am directed by the Governor in Council to thank your Association for their letter No. T.-1135 dated 25th October 1922 and to state that Government do not consider that the action taken by Government in regard to safes and locks manufactured by Messrs Godrej & Boyce raises the wide issues apprehended by the Association. As explained to the Legislative Council, that action was dictated by the obvious necessity of providing for the safe custody of valuable public records.

I have etc.,

H. F. KNIGHT,

Deputy Secretary to the Government of Bombay,

Finance Department.

APPENDIX 67.

Retrenchment Committee.

No. T.-1209.

Bombay dated 16th November 1922.

To

The Secretary, The Retrenchment Committee,

Government of India,

DELHI.

Sir,

I have been directed by my Committee to address you with regard to the task entrusted to your Committee.

My Committee cannot help remarking that the constitution of your Committee and the terms of reference to them are not altogether suitable under the circumstances of this country, as they have been copied from the constitution and reference of the Geddes Committee in the United Kingdom. It is, however, permissible to hope that the absence of a strong public opinion, which operated in the United Kingdom to get a reduced expenditure will be made up by the authoritative pronouncement from your Committee, and that the Indian Legislature will be assisted in the difficult task of fighting vested interests to save this country from bankruptcy and ruin.

The directions in which immediate economies should be effected regardless of any sentiment, have been indicated in general terms in the speech of the President of this Chamber when he led the deputation to His Excellency the Viceroy on the 30th of May last. These it is proposed to indicate here very briefly.

In the matter of the Army, public opinion in India has always deprecated the forward policy on the frontier, which it thinks

has been forced on this country. An immediate withdrawal from Waziristan and a pacific policy on the frontier are necessary in the first instance. The scale, on which the Army is maintained in India, has always been regarded by Indian public opinion as in excess of the requirements for the defence of this country. Instances have not been wanting when that army has been used for Imperial aggrondizement in the interests of Great Britain in other parts of the world.

My Committee are unanimously of the opinion that the greatest possible amount of retrenchment that could be, and should be, effected is in the military expenditure of the Government of India. My Committee consider that such heavy expenditure as is being incurred on one branch of the administration of the country is out of all proportion to its revenues. My Committee are not convinced that this heavy expenditure is incurred entirely in the interests of this country alone. They believe that this country is made to bear this cost at the expense of the other interests of the country such as education, sanitation and industrial development, which have been starved. The country having reached its limit of taxable capacity, steps should be taken as early as possible to develop the productive side of the nation's life. My Committee feel that already Indian revenues are insufficient to meet the cost of administration. A continual starvation of the productive agencies of the people can only lead to ruin which must be avoided.

It is disastrous that a very large part of the revenues is spent on the army alone, and this is done in utter disregard of Indian opinion and Indian interests. This comes from the fact that India has been bound hand and foot to a costly system of British army organization, suitable for a wealthy country like Britain but beyond the means of a poor country like India, since her army was amalgamated with that of Britain. It has been contended by defenders of militarist policy that the strength and equipment of the Indian army have been determined by the obligations which the army may be called upon to meet in respect of the defence of India from external aggression. The British Government have often called upon India to provide military aid in non Indian wars or expeditions.

such as to China, Persia, Abyssinia, Suaskin, Porak, Malta, Egypt, Soudan, South Africa, and in the late war, in France, Salonica, the Dardanelles, Egypt, Palestine, Mesopotamia and East Africa. A considerable part if not the whole cost of these expeditions has been borne by India. The very fact, however, that large numbers of troops have been sent out of India so many times, without endangering the safety of this country, proves that Government have been maintaining a far larger army than is required for the defence of India against foreign aggression.

On all these considerations my Committee feel that the department that calls for the most urgent retrenchment is the military department. To say that England offers protection of her navy to India in return for this, as has been said so often, is merely to repeat a platitude. If the burden on India for the maintenance of an army in excess of her own requirements is to be compensated for the services of the Navy, limits should be fixed of such charge, and it should be made explicit and should be embodied in a compact between the Government of India and the Imperial Government after such compact has been already examined by the Indian legislature.

The expenditure on the equipment of the average Indian soldier and the average English soldier has been rising in the last few years to such an extent that it needs drastic retrenchment. A poor country like India cannot afford a standing army of this magnitude at all. Much less can it afford a standing army consisting of British soldiers, the average cost of maintaining whom is very much in excess of the scale of living of 95 per cent. of the population of this country. If India is on the way to responsible Government, the problem of defence should be worked out on lines suited to India by the representatives of the tax-payers, and the number and scale of British units in the Indian army should be forthwith reduced in such a way that within ten years the Indian army should have none but Indian soldiers in its rank and file and the only British men in the Indian army should be those officers who are essential for maintaining discipline and for training. If, on the other hand, this country is to be considered as solely in military occupation by

Britain then the entire expenditure and the paraphernalia of reforms should be forthwith cut down.

The defence of this country, in the opinion of my Committee, should be not by means of a permanent standing army only, but by means of a small standing army with a large reserve of men who have undergone training and who could at a short notice be mobilised.

While these arrangements are being made with regard to the army, as a temporary measure for some years atleast, a certain portion of the cost of maintaining the Indian army should be borne by the United Kingdom if it is thought undesirable to disband a large number of British troops stationed in India. Indian public opinion has always resented any arrangements for the Indian army being made in the United Kingdom through the Committee of Imperial Defence or otherwise. Owing to the short service system, the cost of the initial training of British soldiers has been passed on to India for the last several years, and India is made to bear more than her proper share of this burden. While paying magnificently for the English soldiers, there is no reason why India should also bear the cost of the initial training and equipment in the United Kingdom, particularly when, after the period of service in India, he drifts into the army in England. If any cost for training is to be incurred, the training should take place in India itself.

A brief reference to the officers of the Indian army will not be out of place. Those who are urging Indianization in this direction, have in mind apart from the question of India's self-respect the question of cost. The initial salary, equipment, passage, leave of different kinds, housing facilities or allowances, horse allowances, and various other charges fixed on a scale even higher than the scale of the United Kingdom are a great injury to this country. Without entering into the technique of the army organization, my Committee desire to draw attention to the very large number of staff officers, on the utility of whose work doubts have been thrown by competent authorities. In conclusion, in the matter of the army, my Committee desire to say that all talk of efficiency is mere moonshine. A nation, like an individual, must

have only those things, which it can afford, and we cannot possibly afford an army, a section of whose component parts, both officers and men, come from abroad and live on a standard, which, in the case of officers, is not enjoyed by more than one per cent of the population of this country. The standing army of India as composed at present, is a crying scandal and a blot on Britain good faith.

In the other departments it is difficult for my Committee to suggest concrete items in which retrenchment could be effected without the details before them. All these departments have their own relative values, and it is difficult to say at a given time what the relative importance of a particular department is in relation to its utility in the administration of the country. It is difficult also for my Committee to ascertain which of the departments are overstaffed and to what extent, and if so to what degree retrenchment could be made without impairing their efficiency. But, as we have said, your Committee which will have full access to all such information, and which will examine the work and the working of all departments of the administration will doubtlessly consider where economies could be effected and superfluities cut down. My Committee, however, feel that a department like the Ecclesiastical Department ought no longer to be a charge on public revenues.

My Committee are also of the opinion that if the reforms are meant to secure real transfer of responsibility to elected Ministers the Government of India Departments which at present by a singular anomaly are retained to deal with subjects transferred to provincial control should no longer exist. These departments are the following:—Local self-Government, Public Health, and Sanitation, education, Public works, Agriculture and Excise.

If these departments are not abolished, the newly created Executive Memberships and Ministerships could not be continued without reproach of the country having to pay double for the same functions.

Several of these Imperial posts had been created in Lord Curzon's time and one or two of these Inspector-Generalships attached to the Government at Delhi have been subsequently abolished, In this

direction further steps should be taken and all Departments, which were created after 1901-05 could be either abolished or amalgamated with other departments so as to reduce the number of highly paid officers and the charges incurred in connection with their tours etc., My Committee would suggest the abolishing of the Department of Commercial Intelligence and the Department of Statistics as separate departments and of their being reduced as a subordinate branch of the Commerce and Industries Department and being worked there — from without the paraphernalia of costly officers at the top. My Committee have also felt for a long time that the criminal investigation department, as at present located at Delhi, costs very much more than it should. The general pacification of the country by making the Reforms a dead reality, ought to secure considerable reduction under this head. In any case, the extravagant expenditure for that branch, which looks after political aspects is, my Committee feel, one which could be considerably reduced forthwith.

The Departments of publicity in so far as they work both with the central and with the local governments are not performing functions without which this country cannot get along as it has got along all these years. Another suggestion, which my Committee would venture to make, is to be taken up as a whole, and not piecemeal. In connection with the administration of Indian debt, the printing of Indian currency notes, the purchase of silver for the coinage and other functions performed in the United Kingdom, the contracts with the Bank of England have been in the opinion of my Committee running for a long time on a basis, which is uneconomic. These functions should be disintegrated. The printing of notes could be taken up in this country with considerable economy to the state. The other functions at present performed by the Bank of England in the United Kingdom should be handed over to the Imperial Bank of India. Further the work at present done by the Department of Currency under the Controller of Currency should also be handed to the Imperial Bank of India, and the office of the Controller of Currency should be abolished. The entrusting of these functions to the Imperial Bank of India, however, could not be carried out until some restrictions were put on certain proportion of the shares in the Imperial Bank of India which could be held by

foreigners and until the constitution of the Imperial Bank, as provided at present, could be revised so as to involve a much greater supervision and control by the Indian Legislature. Should your Committee desire further and complete details on this scheme, my Committee would be glad to send them to you.

While not grudging the scale of salaries fixed for the Viceroy and the Provincial Governors, it is high time that the charges under this head were regulated, particularly in view of the increase of Governorships after the Reforms. Any revision in this direction could also be accompanied by the curtailment of the establishment charges, the entertainment and other charges incurred in connection with the Viceregal Lodge and the Provincial Government Houses.

My Committee feel that the India Council in the United Kingdom is not performing any useful or essential work, but is merely a survival, and at present offers lucrative sinecure for retiring members of the Indian Civil Service. The India Council, in the opinion of my Committee, should be forthwith abolished, and no charges in connection therewith should be payable from the revenues of India. The public in India for a long time, and the Government of India themselves have recognized the strength and justice of this feeling in the famous O'Donnell Circular. With regard to the services, my Committee feel that the solution, consistent with the strengthened finances of the country, is to be found in the provincialization of most of the services. Any attempt to institute a new All-India service should be rigorously put down and some of the existing services should be split up among the various provinces to work on the new basis with special allowance to the present members so as not to reduce their remuneration.

These views of my Committee are meant to be general and do not by any means exhaust all that my Committee may have to say in response to any questionnaire which may be issued by your Committee. My Committee are desirous in every manner to strengthen the hands of your Committee in the good work on which they have embarked, in the hope that your efforts will result in a real reduction of the burdens on the tax-payer.

I beg etc.,
(Sd.) J. K. MEHTA,
Secretary.

APPENDIX 68.

Late Sir William Meyer, High Commissioner for India.

Dated the 23rd October 1922.

Telegram from Chamber to the Secretary to the Government of India, Department of Commerce, Simla.

"Committee Indian Merchants' Chamber have learnt with regret of Sir William Meyer's sudden death and beg to suggest for the earnest consideration of the Government of India that his successor as High Commissioner should be an Indian only. Committee consider it imperative that the representative of the Government of India in London should be only an Indian and they trust that His Excellency the Viceroy will not miss this opportunity of thus partially satisfying demand of the Indian public. Committee beg respectfully to say that the appointment of any but an Indian even on the score of more experience will never meet with the approval of the Indian public. Committee consider the appointment of an Indian as High Commissioner as a natural corollary to the correct spirit of the Reforms, Mehta, Secretary, Inchambu."

APPENDIX 69.

Purchase of Timber by the Bombay Development Department.

No. T.-1233.

21st November 1922.

To

The Secretary to the Government of Bombay,

Development Department,

BOMBAY.

Sir,

I am directed by the Committee of this Chamber to draw your attention to some correspondence which appeared in the "Bombay Chronicle" dated 13th and 14th October 1922 regarding the purchase of timber for the Development Department. It appears from this correspondence that orders for Oregon Pine timber are placed in Canada although timber of a better quality was available in this country and could have been obtained. The Government of Bombay cannot surely be unaware of efforts which are being made by the High Commissioner for India in London to make Indian timber popular in the United Kingdom and elsewhere and my Committee consider it an anomaly that while these efforts are made in London, orders from India should go to a distant place like Canada. My Committee will be much obliged if they will be informed as to what is the exact quantity and value of orders placed in Canada and the reasons for which this order was placed in a country outside India.

I beg, etc.,

J. K. MEHTA,

Secretary.

No. B,-1-16—S.B.

Development Department.

Old Custom House Yard, Fort, Bombay.

Dated the 28th December 1922

To

The Secretary, The Indian Merchants' Chamber,

BOMBAY.

Subject :—Purchase of Oregon Pine Timber for the Back Bay Reclamation Scheme.

Sir,

With reference to your letter No. T.-1233, dated 21st November 1922, and in continuation of this Department letter No. B.-1-16-(S.B,), dated 28th November 1922, on the above subject, I am directed to reply as follows.

2. Early in 1921 it became necessary to obtain a supply of about 1,800 tons of timber for the temporary gantry or staging required to be built at Marine Lines in connection with the construction of the sea wall of the Back Bay Reclamation.

3. The bulk of the timber required was in the form of squares 12" x 12" and 14"X14", about half in lengths of 20 feet and up, and half in length of 30 feet and up and the specification required that it should be sawn square and true on all four sides, the latter condition being important in order to facilitate rapid construction. As the gantry is a purely temporary structure, a durable timber was not necessary, but it was desirable that it should be cheap, light (so as to float readily in water), and be easily worked.

4. Oregon pine is the ideal timber for structures of this kind, and is used for similar purposes in many parts of the world. It was decided, however, that, before ordering oregon pine, every effort should be made to ascertain if suitable timber could be obtained

locally at reasonable cost. The Directorate accordingly consulted the Forest Department of Government; and the Superintending Engineer, Materials Division, was deputed to make special enquiries in consultation with the officers of that Department. In the end the idea of using local timber had to be abandoned, because few Indian timbers, available in sufficient quantity, were found to be obtainable in the necessary sizes and lengths; the final conclusion reached being that at best it would only be possible to obtain a limited and uncertain supply of rough hewn logs of heavy timber unsuitable for the class of work.

5. As a result, tenders for oregon pine were invited and 1766·4 tons were purchased at Rs. 155, per ton of 50 c.ft., C. I. F., the total amount of the contract being Rs. 2,73,792. Early in 1922 tenders for a further supply of 1,200 tons were called for and an average rate of Rs. 133-12-0 per ton of 50 c.ft. C.I.F., was obtained, the amount of the contract being Rs. 1,60,500.

6. The Directorate is still in correspondence with the Forest Departments of the Provincial Governments in India and in Burma, but, so far, it has not been found possible to obtain timber to the required specification at a price, landed in Bombay, which will compare with the rates for oregon pine. There is no doubt that much useful and valuable timber exists in India, but the difficulties and cost of extraction and transport would appear at present to preclude its use in the larger sizes, except for purposes which justify a comparatively high price being paid.

7. In conclusion, I am to say that Government will be glad of any assistance your Chamber can give in this matter. Its membership, no doubt, includes firms of considerable experience in the timber trade, and if any definite proposals can be put forward, they will be very carefully considered.

I have etc.,

J. R. MARTIN.

Ag. Secretary to Government.

No. 1234.

21st November 1922.

To

The Secretary to the Government of India,

Revenue and Agriculture Department,

DELHI.

Sir,

My Committee have directed me to draw your attention to some correspondence which appeared in the public press regarding the placing of orders for local Development Department for Oregon pine timber in Canada. My Committee had written to the Development Department, Government of Bombay, for further information on this score. At the same time the attention of my Committee is drawn to interpellations in the Legislative Assembly with regard to orders for "sleepers" being placed in Canada. The reply given to these interpellations was that information was called for, but my Committee have reasons to believe that such orders have been placed although there are woods of suitable kind for sleepers available in this country. In fact the "Indian Forester", the Journal of the Indian Forest Service makes the following comments in its issue of November 1922 :—

"It is estimated that more than 4,000,000 new sleepers per annum will be laid by the Indian railways during the next few years. Canadian sleepers were not known in India until 1920, but in the fiscal year 1921 over £200,000 worth were imported from the Dominion, as compared with about £150,000 for imports from the Pacific Coast of the United States. Several large Indian orders have been secured by Canadian exporters recently."

When the High Commissioner for India in London is trying to make Indian timber popular in the United Kingdom and elsewhere, it is surely an anomaly that while such efforts are being made in London by the representative of India, steps should be taken in this country by different departments to depart from their policy and to give patronage to timber in other Calends. My ommitte

will be much obliged if the Government of India will issue a detailed statement giving the quantities and value of orders placed in foreign countries for timber by different Railways and Departments of the Government of India. They will also welcome an assurance that efforts are being made not only to develop but also to utilise the forest resources of this country and that active steps are being taken to place orders in this country.

I beg etc.

J. K. MEHTA,

Secretary.

No. 96-305.

GOVERNMENT OF INDIA, DEPARTMENT OF REVENUE AND AGRICULTURE.

(FORESTS)

To

The Secretary, The Indian Merchants' Chamber and Bureau,

BOMBAY.

Delhi, the 18th January 1923.

Importation of timbers from foreign countries.

Sir,

I am directed to acknowledge the receipt of your letter No. T. 1234, dated the 21st November 1922, on the above mentioned subject.

2. In reply I am to state, with reference to the allegations made in certain newspapers regarding the placing of large orders by Government Departments for foreign timbers, that some very inaccurate and misleading statements have recently appeared in the public press as to the extent of purchases by Indian railways of wooden sleepers from Canada and other sources outside India. The

information available on this subject shows that during the past ten years from 30 to 40 lakhs of wooden sleepers have been purchased annually by Indian railways and during the next five years it is estimated that 40 to 50 lakhs will be required annually. During the last two years 8 lakhs have been imported from outside India, or 4 lakhs each year, including 3½ lakhs from Australia, 2½ from United States of America and 2 from Canada. I am to add that the bulk of wooden sleepers used on Indian railways are deodar, sal and pyingado and sleepers of these timbers are as good in quality as any imported wooden sleepers and certainly superior to the creosoted pine sleepers from America. Sleepers are only imported from outside India to make good the shortage of supplies in India, for every endeavour is being made to utilise the forest resources of this country.

I have, etc,

J. W. HEARN.

Under Secretary.

APPENDIX 70.

Exemption from the payment of Excise duty of Petrol exported to Foreign Countries.

T 1309.

9th December 1922

To,

The Secretary to the Government of India,

Finance Department,

DELHI.

Sir,

The attention of my Committee has been drawn to the existing situation with regard to export of Petrol from Burma, whereby duty is levied on all Petrol produced or manufactured in India and Burma at six annas a gallon but no tax is levied on Petrol exported from

Burma to foreign countries. My Committee may be allowed to express their sense of surprise at this. The Government cannot be unaware of the fact that the oil Companies themselves declare the value of petrol they export from Burma at merely one and a half annas a gallon. This valuation is in astonishing contrast to the same oil companies' declared value of the same petrol when it is imported from Burma into India, in which case the value is declared by the oil companies at Rs. 1-10 as. a gallon. My Committee are unable to understand the reasons for this disparity in the declaration of values for petrol for export to foreign countries and to India. The oil companies cannot surely be allowed to have an export trade with foreign countries at the expense of Indian consumers who have to pay at present much more than what foreign consumers have to pay even though the petrol exported to foreign countries has to bear the transportation charges for 6,000 miles. It cannot be said that petrol in Burma cannot bear the additional charge of six annas a gallon when exported to foreign countries. It may also be mentioned that the Government of India still enforces export duty on rice, tea, hides and skins—commodities which have to meet much keener competition in the world's markets than monopoly—controlled petrol. My Committee cannot help saying that the attitude of the Government of India in this matter is prejudicial to the interests of motor transport in this country. It is highly iniquitous and unfair to the Indian consumers that while they have to pay to the Indian Exchequer a big sum in the form of Excise duty for the consumption of such a great necessity of life as petrol, foreign consumers get this commodity at a cheaper rate because of the exemption of petrol exported to foreign countries from this duty.

My Committee are given to understand that different oil companies in the world have formed themselves into combines and have apportioned to themselves what may be called "Spheres of influence". If this is a fact, it means that it is only the oil companies which are benefitted when the Government gives them the exemption of the excise duty for purpose of export, It may be added that they are benefitted at the expense of this country.

My Committee beg to urge that no exemption from excise duty be given to petrol at the time of export from Burma to foreign countries,

and that if such an exemption is granted there should be levied an export duty. Since the Act of 1917 was passed Burma has exported to foreign countries 120 million gallons of motor spirit. Had there been no exemption from excise duty extra revenues would have accrued of Rupees four and a half crores. This can be considered as no small loss looking to the present depleted finances of this country.

My Committee beg in conclusion to emphasise again that motor spirit is one of the necessities of trade and industries and that it is an unfair and unjust policy to make the Indian consumer pay much more than the foreign one for it.

I beg, etc.,

J. K. MEHTA.

Secretary.

APPENDIX 71.

Establishment of Cotton markets on the Berar System

No. G-103.

REVENUE DEPARTMENT, SECRETARIAT, FORT, BOMBAY.

Dated the 14th September 1922.

To,

The Secretary, Indian Merchants' Chamber and Bureau.

Subject:—Establishment of Cotton Markets on the Berar System.

Sir,

In enclosing copies of the correspondence noted in the margin* on the above mentioned subject, I am directed by the Government of Bombay (Transferred Departments) to request that they may be favoured at a very early date with the remarks of your Chamber on the provisions of the Bill prepared by the Director of Agriculture.

* Government letter No. G--103 dated 16th September 1922. Leter from the Director of Agriculture No. 9952. dated 31st August 1922 and the draft Bill accompanying it.

I have etc.

A. R. SERVAI.

For Deputy Secretary to the Government of Bombay, Revenue Department.

No. 9952.

From

The Director of Agriculture, Bombay Presidency, Poona,

To

The Secretary to the Government of Bombay,

Revenue Department, Bombay.

Poona, 31st August 1922.

Subject:— Establishment of Cotton Markets on the Berar System.

Sir,

I have the honour to acknowledge receipt of Government memorandum No. G—103 of August 4, 1922, asking me to submit definite proposals for legislation for the establishment of Cotton Markets on the Berar System for the Bombay Presidency. I have now to submit a draft of a bill which I think will meet the case, based on the Berar law, but which I think gets over the difficulties foreseen by many in the papers published with Mr. Mead's letter to the Government of India (G—103) dated 15th September 1920. In preparing this draft, I have had the most valuable assistance of the Secretary, Indian Central Cotton Committee, and while the draft I now submit differs in detail from that made by him, yet it is in most essential points that which he recommends.

2. The chief difficulty in drafting a bill for the Bombay Presidency seems to lie in the very variable character of our cotton areas. Berar is a small area, with fairly uniform conditions, while we have to deal with systems of bringing cotton to market of the most varying kind, which are readily different in Khandesh, Gujarat, the Karnatak, and Sind. This difficulty I have endeavoured to remove (Section 3 (2)) by making the nature of the market Committee a matter for arrangement and notification in each case. It may under section 3 be a Municipality, or a Brokers' Association, or a co-operative Society, or a Committee chosen specially for the purpose, and I think this elasticity is necessary. I frankly feel that ultimately I should like the management of the market to be a co-operative body representing

the producers, but that will not be possible in many cases (even if it is in any) at first, and I want the Local Government to have the widest discretion in the choice of a market authority or Committee.

3. If the elasticity is maintained I have no fear as to the system interfering with the development of co-operative cotton sale societies as was feared by some commentators when the original proposals of the Indian Cotton Committee were being considered. The rules made under the Act in any case would take account of their exceptional position and provide for it.

4. It will be noticed (Section 4(2)) that the rules made under this Act should have the prior approval of the Bombay Legislative Council. As these may differ some what for different markets, or for markets in different areas, it might be sufficient if they were to lie on the table of the Legislative Council for a specified time. The legal authorities will, however, be able to indicate how best to meet the difficulty.

5. Section 5 of the proposed Act is new. It shows that while rules relating to fundamental matters must be made by the Local Government, those which deal with specific local matters such as allowances and the like will be made by the market Committee itself subject to the consent of the Director of Agriculture. I have introduced the Director of Agriculture as the approving authority here at the suggestion of the Standing Local Committee of the Indian Central Cotton Committee, Bombay, but I take it that he would necessarily act after consultation with the Collector of the District concerned. The approving authority must, however, be a central authority who could correlate the rules suggested in different parts of the Presidency and issue *model rules*.

6. The question of trade allowances is difficult. The Berar law excludes all, except those names in the explanation attached to the relevant section of the law. I have proposed that the only allowances permitted may be prescribed by rule under section 5.

7. At first I thought I would submit suggested model rules under the Act (Section 4), but then I thought it wise to wait until the

measure has been laid before the Legislative Council. I think that they must then be considered very carefully, but that at the present stage their drafting may be postponed.

File No. G-103, Revenue Department, received with your letter under reply is returned herewith.

I have etc.

(Sd.) HAROLD H. MANN,

Director of Agriculture.

(DRAFT)

BOMBAY DISTRICT COTTON MARKETS ACT.

An Act to provide for the better regulation of Cotton Markets.

Whereas it is expedient to provide for the better regulation of cotton markets in the Bombay Presidency, including Sind, it is hereby enacted as follows :—

1. (1) This Act shall be called the Bombay District Cotton Markets Act.

(2) It shall apply to the whole of the Bombay Presidency, including Sind, but excluding the City of Bombay.

2. Cotton includes ginned cotton, unginned cotton (kapas) and cotton seed.

3. (1) The Governor in Council, with the prior approval of the Bombay Legislative Council, may, by notification in the Bombay Gazette, declare that any place, the property of Government or of any Municipality, or of any district or Taluka Board, is a market for the sale of cotton, and may from time to time amend such notification.

(2) Such notification shall prescribe the person or persons, whether an Association, Committee, Co-operative Society, or other body, who shall manage and superintend the market, and such person or persons shall for the purposes of this Act be the Market Committee.

4. (1) The Local Government may in respect to any market notified under Section 3 make rules for :—

(*a*) the appointment of the market Committee.

(*b*) the management of the market, the levy of fees thereon, and (subject to the provisions of the following sections) the collection and disposal of such fees.

(c) the issue of licenses to Commission Agents, brokers, weighmen, and measurers using the market, the conditions under which such licenses shall be issued, and the fees to be charged for such licenses.

(*d*) the place or places of weighment and measuring the description of scales, weights, and measures to be used, the periodical inspection, verification, and correction of such scales, weights and measures.

(*e*) the preparation and sanction of plans and estimates for works which are to be constructed partly or wholly at the expense of the market Committee.

(*f*) the accounts to be kept by market Committee and the manner in which they shall be audited and published.

(*g*) the preparation and sanction of the budgets of and the submission of reports and returns by market Committees.

(*h*) the disposal of surplus funds in the hands of the market Committees.

(*i*) the guidance, generally, of the market Committees from time to time formed in accordance with Section 3.

All rules under the section shall require the prior approval of the Bombay Legislative Council and when so approved shall be published in the Bombay Gazette and shall thereupon have the force of law Any such rules may provide that any contravention thereof or any conditions of license not otherwise made punishable by this Act shall be punishable with fine which may extend to Rs. 500

5. The Market Committee may, in respect to the market which they are appointed to manage, with the previous consent of the Director of Agriculture, and consistently with rules made by the Local Government under Section IV, make rules for the management of the market, and in particular, and without prejudice to the

generality of the foregoing rules, for regulating the conditions of trading.

6. The Market Committee, subject to rules made by the Local Government under Section 4, may appoint and employ such officers and servants as may be necessary for the efficient management of the market, and may assign to such officers and servants such salaries as they think fit. Such Committee, in the case of any officer or servant of the Government employed in connection with the market may in addition subscribe for his pension or gratuity and leave allowances in accordance with the regulations of the Government for the time being in force, and in the case of any servant or officer, not being a servant or officer of Government, may provide for the payment of a pension, or gratuity, or leave allowance for such officer or servant, subject, however, to the provision of any rules made by the Local Government under section 4.

7. All fees collected under rules made under Section 4 of this Act shall be levied at rates calculated so as to meet, as nearly as may be, the expenditure deemed necessary for the purposes hereinafter mentioned, and shall be applied in the first instance to such purposes that is to say:—

(*a*) to the maintenance and improvement of the market or bazar in which the fees are levied, its surroundings and approaches.

(*b*) the construction and repair of buildings, platforms, and other erections necessary for the purposes of such market.

(*c*) the health, convenience, and safety of the persons using such market.

(*d*) The pay, pensions, gratuities, leave allowances and annuities of any officers or servants employed by the Market Committee.

(*e*) Contributions to recognised charities provided for in rules under Section 5 of this Act.

8. (1) All monies received by a Market Committee shall constitute a fund called the Market Committee Fund, and all expenditure under this Act shall be defrayed out of such fund.

(2) The surplus of receipts over expenditure, if any shall be utilised in accordance with rules made under Section 4(*h*) of this Act.

9. (1) No trade allowances other than those prescribed by rule under Section 4 or Section 5 shall be recognised in any market or bazar notified in Section 2 and no Civil Court shall in any suit arising from transactions entered into in any such market, have regard to any usage or trade custom or alleged usage or trade custom to the contrary.

(2) In every transaction entered into in any cotton market notified under section 3, it shall be presumed that the parties intend that cotton shall be weighed in the sacking, and that the seller guarantees that the sacking of such package shall not weigh more than the weight prescribed by rule made under Section 5.

Explanation.—Every deduction other than deductions on account of deviation from sample when the purchase is made by sample or of deviation from standard when the purchase is made by reference to a known standard, or an account of a difference between the actual weight of the sacking and the standard weight, or on account of the admixture of foreign matter, or on account of the excessive dampness as provided for by rules under Section 3 of this Act shall be regarded as a trade allowance for the purposes of this Act.

10. (1) When the Local Government has, by notification under Section 2, declared any place to be a market for the sale of cotton, no new market or bazaar shall, except with the sanction in writing of the Local Government and subject to such conditions as the Local Government may think fit to impose, be established for the like purpose within ten miles of the market notified.

(2) Whoever establishes a market in contravention of this Act or violates the conditions under which he is authorised to establish a Market under this section shall be punishable with fine which may extend to Rs. 500, and in the case of a continuing breach, with fine which may extend to Rs. 100 for each day after the first during which the breach continues.

11. Fees leviable in pursuance of any rules under this Act may be realised as fines under the orders of a lagislature.

REVENUE DEPARTMENT.

No. G.—103.

Dated 15th September 1920.

To

The Secretary to the Government of India,

Department of Commerce.

Sir,

I have the honour, with reference to your letter No. 1718-D of 28th February 1920, to offer the following remarks on the point under reference.

2. In the first place, I am to invite attention to my letter No. A.—71, dated the 3rd June 1920, in which suggestions were offered for the formation of a Central Cotton Committee, and to say that this Government would much prefer to have these somewhat detailed proposals carefully examined and criticised or endorsed by an authoritative body which was thoroughly representative of the trade, and the opinions I am to offer are subject to the reservation that, in the view of the Governor in Council, responsibility for legislation should lie on such a body, subject of course to the approval of the Central Government.

3. I am now to communicate the following views on the various points raised in your letter under reply, with such comments as seem desirable.

4. In paragraph 2 of your letter the question of establishing cotton markets on the Berar system in the cotton tracts of the Presidency proper is discussed. I am, in the first place, to communicate the opinion of the Commissioner in Sind that there are no reasons for the exclusion of that province from the recommendations in question. The opinion is offered that the establishment of such markets will tend to bring to zemindars in direct contact with the buyers, and thus stimulate the formation of co-operative associations which might otherwise be boycotted by local combinations of traders. On the other hand, the Millowners' Association, speaking for Gujarat

and Kathiawar, advance the view that the new system will be difficult to introduce in this area, and that it is most important to avoid all possibilities of disorganising the purchasing facilities at present enjoyed by the public. In this connection, I am to cite the opinion of the Director of Agriculture.

"There is no doubt that the objects aimed at are sound and that to some extent they can be secured by legislation of the nature proposed. It is a distinct advantage that the market should be open to all, that the brokers and weighmen should be licensed and subject to control, that the fees should be regulated, the weights and measures supervised and the price for the day known. The establishment of such a market does not interfere with any transactions in the villages by which small dealers or agents buy cotton from cultivators, and it is doubtful how far such market will have the effect of bringing the cultivators into direct contact with *bonâfide* purchasers and eliminating middlemen. In parts of this Presidency a great deal of the cotton is purchased in the villages by small dealers and brought into the market by them, and even in Berar I understand that this commonly happens; still on open and regulated market, with a Superintendent to whom a cultivator can apply when in difficulty, ought to establish confidence amongst cultivators and induce them to bring their cotton into the market instead of selling it in the villages, except in so far as they sell in advance. I think that it would be a good thing if an Act, based on the Berar Cotton and Grain Markets Law, were passed, and introduced wherever existing cotton markets are to be found large enough to warrant the organization. I presume that the proposal would excite opposition on the part of Dalals and of ginnery owners whose compounds now serve as markets to some extent; and such provisions as those contained in paragraph 6 of the Berar Act would probably be unpopular. Some difficulties might also occur in connection with existing markets in which ground has

been leased out for a long period to dealers and the dealers have put up godowns. The working of the Act depends in great measure on the nature of the rules framed under the Act, and I think that it will be necessary to frame separate sets of rules with reference to different tracts. In Khandesh conditions are most like Berar, in Gujarat less so, and in the Southern Maratha country conditions are very different. It will be necessary to consider existing conditions and practice for each tract and to frame rules accordingly."

I am to say that, as at present advised, the Governor in Council is prepared to endorse the view that such markets might, with advantage, be established in Sind as well as elsewhere, but care should be taken to frame different sets of rules for different tracts, in consideration of the local conditions obtaining.

5. In paragraph 3 of your letter approval is accorded to the Committee's recommendation as regards standard weights, and this view finds acceptance amongst all bodies and officers consulted.

6. In paragraph 4 of your letter, the Government of India adopt the Committee's view as regards the necessity for licensing gins and presses, and in the subsequent paragraphs certain additions are suggested under which such action should be taken. In the first place, as regards the proposal to bring all gins and presses within the provisions of the Indian Factories Act irrespective of the number of work-people employed, I am to point out that there is in Sind and in certain other areas a small cottage industry, conducted by persons who gin cotton in their own homes and sell it to *Banias*, and it is suggested that care should be taken that this cottage industry is not destroyed by the proposed amendment of the law. This however is a minor point which can presumably be met and the general proposal must be considered on its merits. The Indian Merchants' Chamber and Bureau alone does not favour the proposal, but I am to say that the Governor in Council concludes that the general body of informed opinion is emphatically in favour of the suggested inclusion. At present about 22 per cent. of the factories of this class were subject to inspection in 1915, and it is extremely probable that many

of them, which would normally have employed 20 persons or more, purposely reduced their numbers, to avoid coming under the Act. On a general consideration of the figures before them, this Government consider that the proposal would necessitate the increase of the existing staff by two junior inspectors to commence with, and possibly a further inspector, if the extra work involved is proved to justify a further increase of the inspecting staff.

7. As regards the points raised in paragraph 6 of your letter under reply, I am to say that there is a general consensus of opinion that it is not necessary to force ginning and pressing factories to undertake to work for at least eight weeks in the year. As regards the conditions specified in paragraph 225 of the Committee's report, the Indian Merchants' Chamber and Bureau consider that the enforcement of conditions (*a*), (*c*) and (*m*) should be left to the Central Committee, and from Ahmedabad comes the suggestion that special facilities should be granted, including an extension of period where necessary, to factories which may not be in a position to carry out certain alterations at once. Generally, I am to say that the Governor in Council would prefer that the whole question of licensing should be examined on the recommendation of the Central Cotton Committee, and this view is practically that which is put forward in paragraph 8 of your letter. In this connection, I am to put forward the view expressed by the Chambers of Commerce and the Cotton Contracts Board, which the Governor in Council is prepared to accept, that a permanent local advisory committee (the members of which should be nominated by the Provincial Government) should be vested with the power to grant or revoke licenses, and that there should be a right of appeal to the Central Cotton Committee, which should form small sub-committees in each Province to hear such appeals. It is further suggested that complaints should also be received by the Cotton Contracts Board, or the association which will eventually take its place, since the bulk of the cotton about which complaints may be considered necessary, will not ordinarily pass into the hands of exporters or consumers until months after it has left the factories, when the consumer will probably buy it at a discount owing to its defects and will not trouble to make any complaint. It is important,

therefore, that middlemen such as muccadums and jethawallas, who hold and advance money against the cotton, and who are in a position to detect irregularities, should be allowed to forward complaints.

9. Lastly, as has been correctly observed, it is most essential that the States should follow suit as regards any action to be taken in British India, and this point has been emphasised by several officers and associations.

I have, etc.

P. J. MEAD,

Secretary to Government.

T 1156.

31st October 1922.

To,

The Deputy Secretary to the Government of Bombay,

Revenue Department,

BOMBAY.

Sir,

Your letter dated the 14th October was considered by the Committee of the Indian Merchants' Chamber and I am directed to convey to you their opinion as follows on the subject matter of the enclosure to your said letter viz ; the draft Bombay District Cotton Markets Bill :—

II. I am to observe in the first place that my Committee think that the initial legislation in this connection should be of a fairly simple and elastic character, so that the various methods and customs prevalent in each district may be least disturbed at the start and it may be possible to bring all the districts in one line without fear of much opposition at any stage. If any effort is made at uniformity for all districts at the start my Committee fear that there may be opposition to the idea underlying the Districts Cotton Markets Bill in the Cotton Districts and in the Council too.

III. My Committee generally approve of the main principles underlying the said Bill, but they have the following observations to make regarding some of the sections of the said draft :—

Re. section 2 my Committee recommend the omission of the words " cotton seed" in the section. It will not be feasible nor advisable to insist that cotton seed should be brought to the market in order to be sold. In fact that would be an unnecessary hardship.

Regarding section 3(1) the words "with the prior approval of the Bombay Legislative Council" should be omitted. My Committee do not think that it would be found feasible to consult the Council everytime that a place is approved of by Government as fit to be declared a market for the sale of cotton. They think that this power should be vested in the Governor in Council, for they believe that it would be exercised on the recommendation of the Minister in charge of the Agricultural Department and the Council should trust the Minister.

Regarding section 4(1)*a* of the Draft Bill my Committee feel that the appointment of the markets Committee may be by nomination by Government at the start and for the following year or two. But afterwards this should be by election by the buyers and sellers in each market centre. The interests of the cultivator may then be represented by elected representatives whereever feasible, and failing this it should be by co-option of agriculturists by elected members from amongst the buyers and sellers. My Committee wish that the nominations by Government may be on the above lines also.

Regarding section 4(1)*c* my Committee are definitely of the opinion that licenses should be issued to brokers, weighmen and measurers only. Commission agents and buyers and sellers need not take licenses, but they may be asked to become members of a market centre and the fee for such membership may be kept at a figure of Rs. 5 or 10 per year or, if found necessary, at a nominal figure of Re. 1 per year.

My Committee attach very great importance to person responsible for purchases and sales on a cotton market being kept absolutely

separate, for purposes of control from persons earning their living by physical labour or as middlemen pure and simple.

Regarding section 4(1)*h*, the disposal of the surplus funds in the hands of the Markets Committee should be in specified direction and my Committee suggest that after payment of a certain percentage to the Municipality in whose limits a market may be situated the balance should go :—

(1) towards the repair and upkeep of roads leading to a market centre.

(2) for the maintenance of veterinary hospitals for the benefit of cultivators whose bullocks bring the produce to market centre and

Regarding section 4(2) my Committee would recommend the omission of the words "shall require the prior approval of the Bombay Legislative Council and when so approved". They do not think that uniform rules for all parts of the Presidency would be feasible and they therefore think that once the Legislative Council approves the principle underlying the Bill, they should leave the question of framing the rules suitable to each centre to the Minister in charge of the Department.

Regarding Section 9(2) my Committee recommend the omission of this as that is a matter of detail which is at present done in the districts without the help of any legislation and will be found to be covered by the power given to the market Committee to frame rules for the purpose of good administration and control of the market.

I beg etc.

S. M. MUZUMDAR,

for Secretary.

APPENDIX 72.

Allegations made by the Chairman of the Scindhia Steam Navigation Company against the Government of India in the matter of Indian Shipping.

Telegram from Chamber to the Commerce Department, Government of India, Delhi, dated the 2nd November 1922.

"Committee, Indian Merchants' Chamber, regret they have had no reply to or acknowledgment of, their telegram, dated 7th October last, regarding Peninsular and Oriental Mail contract. They beg to draw Government's attention to speech on 31st ultimo, by Chairman, Scindhia Steam Navigation Company Limited and request Government to reply to specific complaints made therein, Committee wish to respectfully warn Govarnment that disregard by them of Indian wishes on Shipping questions generally and the Peninsular and Oriental Mail contract specially will greatly agitate minds of Indian Commercial Commuinity. Mehta, Secretary Inchambu"

DEPARTMENT OF COMMERCE, GOVERNMENT OF INDIA.

Delhi, 17th December 1922.

To,

The Secretary, Indian Merchants' Chamber,

BOMBAY.

Sir,

With reference to your telegram of November 3rd last, I am now directed to furnish your Committee with the information asked for on the subject of the specific complaints made by the Chairman of the Scindia Steam Navigation Company at the annual meeting of the Company on the 31st October. For reasons which will be obvious to

your Committee, the Government of India will refrain from commenting in any way on the Chairman's speech and will confine themselves to a bare recital of the facts.

2. Complaint that the Scindhia Steam Navigation Company was not given an opportunity to tender for the carriage of two lakhs of tons of coal from Calcutta to Rangoon.

The contract referred to was a contract for coal required by the Burma Railways and was negotiated for the Board of Directors by the Mining Engineer to the Railway Board. In September, 1921, the Mining Engineer was asked by the Railway Board to see, in the event of the contract not having been fixed up, that the Scindia Steam Navigation Company was given an opportunity to tender. At that time negotiations had been in progress for many months for a long term freight contract with the British India Steam Navigation company. A hitch however had occurred and it looked as if the Railway Company would have to come into the open market, in which case the Scindia Steam Navigation Company and other Steamship Companies would have had an opportunity to submit tenders. But the difficulty was overcome and the Board of Directors accepted the terms arranged by the Mining Engineer with the British India Steam Navigation Company.

3. Complaint that the Government of India refused to interfere with a Local Government which had fixed up a contract for freight without giving the Scindia Steam Navigation Company an opportunity to tender.

The statement made by the Chairman of the Company is perfectly correct. The Government of India did refuse to interfere and they fear that they must continue to do so. They cannot properly issue orders to a Local Government in a matter of this kind.

4. Delay in appointment of Committee to enquire into building up of a Mercantile Marine.

The Resolution was passed in the Legislative Assembly in January last when it was too late to make any alterations in the Commerce Department budget. Consequently the appointment of the Committee

had to be deferred until (a) the expenditure involved had been agreed to by the Standing Finance Committee and (b) a supplementary grant had been obtained from the Assembly. Proposals for the expenditure were placed before the Standing Finance Committee and the Assembly in September last and since then the question of the composition of the Committee had been under consideration. It has not been possible to make an announcement owing largely to a delay of five weeks in obtaining an answer to a cable sent to the Secretary of State asking whether a certain gentleman was prepared to serve on the Committee.

I have, etc.,

D. T. CHADWICK,

Secretary to the Government of India.

APPENDIX 73

Amendment of section 68 of the Indian Income Tax Act, 1922.

THE AHMEDABAD MILLOWNERS' ASSOCIATION.

Ahmedabad, 11th November 1922.

To

The Secretary, the Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

I am directed to address you on the subject of the Indian Income Tax Act, 1922. Section 68 of that Act repeals the previous Acts subject to a provision "that the provisions of Section 19 of the Indian Income Tax Act, 1918, shall apply, so far as may be, to all assessments made under that Act in the year ending on the 31st day of March 1922."

It is now known that year 1922 is not expected to be so prosperous to businessmen as was the past year 1921; and the profits of

commercial firms and industrial companies are likely to go down appreciably. In these circumstances it would be advantageous to commercial concerns if the provision referred to above is extended for at least one more year, and it has been suggested to this association that Government should be moved to amend section 68 of the Indian Income Tax Act of 1922, so as to extend the adjustment period up to March 1923.

I shall be obliged if you will place this suggestion before the Committee of your Chamber and kindly let me have their views in the matter at your early convenience.

Yours faithfully,

I. H. DESAI.

Secretary.

T1227.

20th November, 1922.

To,

The Secretary, the Ahmedabad Millowners Association,

AHMEDABAD.

Dear Sir,

With reference to your letter dated the 11th instant, I am directed by my Committee to say that in view of their previous correspondence with the Government on the subject they regret that they cannot re-open the question referred to in your letter under reply.

Yonrs faithfully,

J. K. MEHTA,

Secretary.

APPENDIX 74.

Election of Chamber's representative on the Bombay Municipal Corporation.

No. M.—26-A.

Bombay, 13th November 1922.

To,

The Secretary, Indian Merchants' Chamber and Bureau.

Sir,

I have the honour to say that the next General Elections of Councillors under the City of Bombay Municipal Act 1888, as amended by Bombay Act No. VI of 1922 will commence in January next. Under Section 22 of the said Act, the Municipal Commissioner has to fix the dates for the several elections. I propose to fix Monday the 22nd January for the ward elections and should be obliged if you would inform me whether Thursday the 8th February 1923 will be a convenient date for the election by the Indian Merchants' Chamber and Bureau. If not I would request you to suggest any other day after the 8th and before the 12th February 1923.

I have, etc.,

H. B. CLAYTON,

Municipal Commissioner.

T 1228.

20th November 1922.

To,

The Municipal Commissioner for the City of Bombay,

Sir,

With reference to your letter No. M-26-A of 1922-23, dated the 13th instant, I am directed by my Committee to inform you that

Thursday, the 8th February 1923 will suit them for the purpose of election of their representative on the Bombay Municipal Corporation.

I have, etc.,

J. K. MEHTA,

Secretary.

APPENDIX 75.

Revised system of Coal Wagons distribution.

27th December 1922.

No. T.1355.

To

The Coal Transportation Officer, Railway Board,

CALCUTTA.

Dear Sir,

The attention of my Committee has been drawn to the notification issued by you with regard to the discontinuance of the system of "X" class supplies from the 15th November 1922. This new system is evidently being worked as an experiment for three months and from what they have come to know about it from their members, it has not proved to be successful in its working up to this time. The new system has resulted, as far as the information of my Committee goes, in an inequitable distribution of coal. The arrangement under which surplus wagons are allotted to collieries for distribution after preferential supplies have been met, more or less in accordance with the wishes of the colliery owners, has tended, it is feared, to a neglect of their lower rate contracts which will mean a neglect of the interests of Bombay mills. Small consumers are still more adversely affected. There being no facilities in Bombay for discharging or stacking rakes or half-rakes of coal, Bombay orders will receive consideration evidently only after all other places with better

unloading facilities have had their orders fulfilled. Under all these circumstances, my Committee beg to request you to be good enough not to renew this experiment of a new scheme till you have consulted all public commercial bodies. It has been the experience of members of my Committee that the experiment has not worked well and it will not be advisable, therefore, to continue the working of the new scheme..

Yours faithfully,

J. K. MEHTA,

Secretary.

GOVERNMENT OF INDIA.

(RAILWAY BOARD.)

COAL TRANSPORTATION OFFICER.

No. 4 T.

Calcutta, 12th January 1923.

To,

The Secretary, The Indian Merchants' Chamber and Bureau,

BOMBAY.

Dear Sir,

Revised system of coal wagon distribution.

With reference to your letter No. T 1355 dated the 27th December 1922, I beg to state that while agreeing in the main with your views regarding the revised system of coal wagon distribution, I cannot grant that it has resulted in "an inequitable distribution of coal". The new system was decided upon after considerable discussion with representative bodies of consumers as well as producers of coal and had as its primary object a relaxation of the control which had previously been exercised over the coal trade. In effect the relaxation is represented by a considerable curtailment of the

number of consumers entitled to preferential treatment in the matter of wagon supplies and by the setting free of a comparatively large proportion of the available number of wagons in the coalfiels for distribution to the public without references to, or authorisations from, this office. It is true that this arrangement results in consumers other than those entitled to "Special Supplies" and those who are capable of taking rakes or half rakes at a time, being placed more or less in the hands of collieries who are at liberty to despatch wagons to consignees of their own selection but, as pointed out above, this is in keeping with the primary object of the new scheme and is calculated to tend to the restoration of normal conditions governed by the ordinary laws of supply and demand.

2. As far as my information goes, Bombay has no special disadvantage in the matter of facilities far unloading rakes or half rakes which can, I understand, be arranged for at Byculla, for one place. It would appear that there should be little difficulty therefore in small consumers combining for the purpose of taking supplies in rakes or half rakes at a time, which can be consigned to Byculla, for instance, and split up there for distribution among the joint applicants for the same.

Yours faithfully,

ILLEGIBLE.

Coal Transportation Officer.

APPENDIX 76.

Purchase of Coal for Railways.

No. T.-345.

Dated the 24th April, 1922.

To

The Secretary to the Government of India,

Railway Department, (Railway Board),

DELHI.

Sir,

At the recent interview which my Committee had with the Hon'ble Mr. C. A. Innes, Member in charge for Commerce and

Industry, Government of India, the question of purchase of coal for railways was considered. At that time one of the members of my Committee pointed out that during the war period purchases of coal for railways were effected at prices which just covered the cost of production or at the best left a nominal profit. After the termination of the War however, increases to the extent of full 100 per cent were sanctioned by the buying authorities on behalf of railways with the result that colliery proprietors made from 100 to 150 per cent profit on first class coal and from nearly 50 to 80 per cent profit on second class coal. Another grievance connected with these increases from an Indian point of view is that nearly 75 per cent of the coal bought by the railways is from European Mining Agents. If these facts are true, my Committee cannot help thinking that these purchases at the inordinate prices quoted above are at the cost of the general taxpayer. My Committee will therefore feel obliged if you will kindly enquire into the matter and let them know the reasons which might be responsible for such a big jump in coal prices.

I have etc.

J. K MEHTA,

Secretary.

GOVERNMENT OF INDIA. RAILWAY DEPARTMENT
(RAILWAY BOARD.)

No. S.-1595 S.

Dated Simla, the 17th of July 1922.

To

The Secretary, The Indian Merchants Chamber and Bureau,
BOMBAY.

Sir,

I am now directed to reply to your letter No. T.-345 dated the 24th April 1922. In this letter your Committee complains

(*a*) of the heavy increase in the price of coal sanctioned since the war by the authorities buying on behalf of the Railways, which increase is alleged to have resulted in inordinate profits having been made by the colliery companies concerned and

(*b*) of the fact that the bulk of the coal is bought from European Mining Agents.

2. I am to take the second point first. Railways use all classes of coal in their locomotives from 2nd class upwards. But it is only the Railways near the coalfields such as the Eastern Bengal Railway and to a less degree the Oudh and Rohilkhand Railway that can afford to use 2nd class coal. Lines remote from the fields such as the North Western Railway and the Western and Southern Railways cannot afford to pay freight on the high proportion of incombustible matter contained in second class coal. Consequently, the bulk of the coal purchased by the Mining Engineer to the Railway Board is necessarily first class coal, and it is this consideration which mainly governs the placing of contracts. It is true that most of the contracts are placed with European Mining Agents. But the explanation is that these Agents produce the bulk of the coal of the required class.

3. As regards the increase in the cost of coal for Railways, I am first to remove a misapprehension on the part of your Committee. It is true that the contracts were actually placed by the late Mining Engineer to the Railway Board, but they were placed only after they had been examined and approved by the Railway Board and by the Agents of the different Railways concerned at a conference specially convened for the purpose. The increased cost is certainly inconvenient from the Railway point of view, but in view of the coal position in India, with the main features of which your Committee is no doubt familiar, the Government of India believe it to have been inevitable. The increase is not peculiar to the Railways; it is common to all industries in India.

Yours faithfully,

ILLEGIBLE,

Assistant Secretary, Railway Board.

APPENDIX 77.

Railway Earnings for Military Traffic.

T.-347.

24th April 1922.

To,

The Secretary to the Government of India,

Railway Department (Railway Board),

DELHI.

Sir,

Very recently at the time of the interview which my Committee had with the Hon'ble Mr. C. A. Innes, Member in charge of Commerce and Industry, Government of India, one of the members of my Committee asked a question to the Hon'ble Member as to what would have been the probable increase in the Railway earnings during the years 1920-21 and 1921-22 if all the military traffic (whether passenger or goods) was carried at usual public rates instead of at special concession rates. At that time as the Hon'ble Member was not prepared with the figures he informed my Committee that the figures might be obtained from the Railway Board. I have, therefore, to request you to kindly supply those figures for the information of my Committee.

I beg etc.,

J. K. MEHTA,

Secretary.

GOVERNMENT OF INDIA RAILWAY DEPARTMENT.

(Railway board.)

No. 309 S. & T.-22.

Dated Delhi, the 23rd of November 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Sir,

I am directed to reply to your letter No. T.-347, dated 24th April 1922. I am to say that the Hon'ble Mr. Innes has no recollection of the question which is alleged to have been asked him, and it is probable that the question referred to was put to the Hon'ble Finance Member. An attempt has been made, however, to collect information on the subject your chamber has raised, but the Government of India rather doubt whether the results have been commensurate with the time and labour involved. I am, however, to enclose a statement showing the various classes of Military traffic on the three Railways on which that traffic is heaviest, namely, the East Indian, the G. I. P., and the N. W. Railways I am also to enclose a second statement furnished by the North Western Railway which shows the percentage by which the earnings on each class of traffic would have been increased had Military traffic been charged at ordinary rates. I am to add, that the Military traffic of the year 1920-21 for which these statements have been prepared were abnormal.

I beg etc.,

ILLEGIBLE,

Offg. Joint Secretary. Railway Board.

Statement showing the various classes of Military traffic on the East Indian, Great Indian Peninsula, and North Western Railways during the year 1920-21.

Railway.	Coaching (Troops.)					Goods.		
	1st class.	2nd class.	Inter class.	3rd class.	Military Baggage.	Military carriages, horses dogs.	Military stores.	Military live stock.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
East Indian	99,712	2,18,137	41,722	7,42,872	1,74,502	1,06,695	7,97,253	36
Great Indian Peninsula ...	5,75,244	7,38,760	62,550	40,38,410	2,73,932	5,25,821	24,32,841	2,654
North Western	4,08,102	7,94,147	186,156	59,41,317	3,32,362	20,26,432	44,88,764	3,646

Statement showing the N. W. Railway's estimate of the percentages by which the earnings of the line on each class during the year 1920-21 would have been increased had the military traffic been carried on at ordinary rates.

Description of traffic.	Ordinary traffic.			Military traffic.			Earnings calculated on the figures in column 5, if the average rate shown in column 3 were applied instead of the rate in column (6).	Percentage increase in figures of column 5.
	Pass, or unit miles.	Earnings 2.	Average rate per pass mile 3.	Pass or unit miles 4.	Earnings 5.	Average rate per pass mile 6.		
	1	2	3	4	5	6	7	8
		Rs.	Rs.		Rs.	Rs.	Rs.	
I Class	17,443,759	16,22,239	17·86	6,981,881	4,08,102	11·22	6,49,308	59
II Class	63,464,620	29,35,502	8·88	34,242,915	7,94,147	4·45	15,83,876	99
Inter Class ...	242,584.474	55,97,775	4·43	8,575,127	1,86,156	4·17	1,97,876	6
III Class... ...	2,716,265,807	4,17,46,922	2·95	431,338,229	59,41,317	2·64	66,29,338	11
Luggage Ton Mile	2,791,363	7,40,438	50·93	2,041,379	3,32,362	31·26	5,41,497	63
Carriages, Horses and dogs, etc.	2,450,735	7,02,968	55·07	13,355,294	20,26,432	29·13	38,30,828	89
Goods do. ...	2,111,660,960	5,27,91,524	4·79	201,297,937	44,88,764	4·28	50,32,448	12

T.-1331.

18th December, 1922.

To

The Secretary to the Government of India,

Railway Department (Railway Board),

DELHI.

Sir,

I am directed to acknowledge receipt of your letter of the 23rd November 1922, No. 399 S. & T.-22. My Committee are perfectly sure that the subject matter in question was referred to the Honourable Mr. Innes when he had an interview with them. They are obliged to the Government of India for the information sent to them which they regret, however, does not clearly specify the probable increase which would have occurred in the Railway Earnings during the years 1920-21 and 1921-22 if all the military traffic was carried at usual public rates instead of special concessional rates. My Committee beg to suggest that in order to give a true perspective to the military expenditure all State-owned and State managed Railways should charge ordinary rates.

I beg etc.

J. K. MEHTA,

Secretary.

APPENDIX 78.

Renewal of Mail Contract with B. I. S. N. Co.

No. 6142-D.

REVENUE DEPARTMENT, SECRETARIAT

FORT, BOMBAY.

Dated the 26th September 1922.

To,

The Secretary, Indian Merchants' Chamber and Bureau,

Subject:—Mail Contracts, British India Steam Navigation Company, Renewal of.....with.

Sir,

I am directed by the Governor in Council to forward herewith copies of the letter from the Director General of Posts and Telegraph No. E. J. 11-22 dated 5th September 1922 and of its accompaniment and to enquire whether you have any suggestions to make for the modification or improvement of the existing Mail Services provided by the British India Steam Navigation Company.

I have etc,

A. R. SERVAI,

For Deputy Secretary to the Government of Bombay

Revenue Department.

Enclosures:—Copies of the Director General's letter and its accompaniment.

Post and Telegraphs.

From,

G. R. Clarke, Esquire, C.S.I., O.B.E., I.C.S.,
Director-General of Posts and Telegraphs.

To,

The Chief Secretary to the Government of Bombay.

No. E. J.-11-22.

Dated Simla, the 5th September 1922.

Subject:—Asks permission from Government to negotiate with the British India Steam Navigation Company for the renewal of the mail contract which expires on the 31st January 1923.

Sir,

I have the honour to inform you that the question of the renewal of the existing mail contract with the British India Steam Navigation Company is under consideration.

2. The existing services, provided for in the current contract, are the following:—

(1) Direct weekly contract service (speed 16 knots) between Calcutta and Rangoon.

(2) Direct weekly contract service (speed 14 knots) between Calcutta and Rangoon.

(3) Direct weekly contract service (speed 12 knots) between Calcutta and Rangoon.

(4) Weekly contract service (speed 12 knots) between Chittagong, Akyab, Kyaukpyu and Rangoon, with calls at Sandoway in the fair season.

(5) Weekly contract service (speed 12 knots) between Chittagong, Akyab, and Rangoon during the fair season.

(6) Direct weekly contract service (speed 14 knots) between Madras and Rangoon.

(7) Weekly contract service (speed 10 knots) between Rangoon, Tavoy and Mergui.

(8) Fortnightly contract service (speed 9 knots) between Moulmein, Yeh, Tavoy, Mergui. Victoria Point and Penang.

(9) Fortnightly contract service (speed 9 knots) between Rangoon, Tavoy, Palow, Mergui, Kamaw, Bokpyin, Karathuri, Victoria Point and Maliwun

(10) Direct weekly contract service (speed 13 knots) between Bombay and Karachi.

(11) Weekly contract service (speed 10 knots) between Bombay and Karachi *via* the Coast ports.

(12) Weekly contract service (speed 13 knots) between Karachi, Muscat, Bushire, Mohammerah and Basra.

(13) (*a*) Fortnightly contract service (speed 10 knots) between Karachi and Basra *via* the Persian Gulf ports.

(13) (*b*) Fortnightly contract service (speed 10 knots) between Karachi and Bushire *via* the Persian Gulf ports.

(14) Direct weekly contract service (speed 12 knots) between Rangoon and Penang.

(15) Fortnightly contract service (speed 10 knots) between Bombay and Durban, with calls at East African ports.

3. *Extracts from the Company's time-table for 1922 showing the dates of sailing of their steamers from the different ports are enclosed for ready reference.

4. I shall be much obliged if you will kindly favour me, at an early date, with any suggestion of the Government of Bombay for the modification or improvement of these existing mail services.

I have etc.

ILLEGIBLE,

Director-General.

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* Not printed here. Vide file No. R.-143 of 1922.

3rd January 1923.

T.-143-4.

To,

A. R. Dalal, Esq., M.A., I.C.S.,

Deputy Secretary to the Government of Bombay,

Revenue Department,

BOMBAY.

Sir,

With reference to your letter No. 6142-D., dated 28th September 1922, and your subsequent reminder No. 6142-D., dated the 27th October 1922 and your letter No. 2142-D., dated the 7th December 1922, I am directed by my Committee to suggest that the following conditions should be incorporated in the Mail Contract with the British India Steam Navigation Company :—

(*a*) the period of contract should not exceed five years ;

(*b*) there should be a stipulation in the contract regarding the immediate employment of Indians as apprentices in the Engine and Navigation Departments of the steamers of the Company, the number of such apprentices not to be less than one per department per steamer and,

(*c*) in view of the opinion expressed by all the members of the Fiscal Commission in the general report a clause should be inserted in the contract that the Company will not pay deferred rebates to shippers of cargo carried by vessels of the Company.

I beg etc',

J. K. MEHTA,

Secretary.

APPENDIX 79.

Proposed legislation re-Licensing of Gins and Presses.

No. O.-103.

Revenue Department, Secretariat, Fort, Bombay.

Dated the 22nd December 1922.

To

The Secretary, Indian Merchants' Chamber and Bureau,

BOMBAY.

Subject :—Proposed legislation regarding the licensing of gins and presses.

Sir,

I am directed by the Governor in Council to forward a copy of Government Resolution, Revenue Department, No. 103-C., dated 14th November 1922, and to request that this Government may be favoured with the views of your Chamber on the subject mentioned therein.

I have etc.,

A. R. SERVAI,

For Deputy Secretary to the Government of Bombay,

Revenue Department.

Accompaniment.— Copy of Government Resolution referred to.

Trade and Commerce.

Proposed legislation regarding the licensing of gins and presses.

GOVERNMENT OF BOMBAY, REVENUE DEPARTMENT.

Resolution No. 103-G.

Secretariat, Fort, Bombay.

Dated the 14th November 1922.

Letter from the Government of India, Department of Commerce, No. 5154, dated 6th October 1922 :—

"With reference to the correspondence ending with your letter No, G.—103, dated the 15th September 1920, I am directed to address you on the subject of the recommendations contained in paragraphs 223 to 229 of the Indian Cotton Committee's Report. On receipt of replies to this Department letter No. 1718-D., dated the 28th February 1920, the Government of India asked for the views of the Indian Central Cotton Committee on these recommendations and received in reply Mr. Burt's letter No. 570 dated the 1st August 1921, of which a copy is enclosed.

"2. In paragraph 219 of their report, the Indian Cotton Committee drew attention to malpractices deliberately employed at gins and presses and also to abuses which arose from faulty conditions at the factories. In paragraphs 223 to 229 they recommended legislation designed to check these faults and to encourage the marketing of clean and unmixed cotton. It was suggested that legislation should be passed by the Central Government requiring all ginning and pressing factories to take out licenses; that the licensing authority in each province should be the local Government acting in consultation with the Central and Provincial Cotton Committees; and that the desired reforms should be introduced as conditions under which licenses would be granted.

"3. In consulting the Central Cotton Committee, the Government of India invited the Committee's attention to the fact that commercial opinion in India was not unanimously in favour of the

adoption of a licensing system ; and they asked to be furnished with the considered opinion of the Committee whether the proposal to introduce such a system should be further pursued. The Committee was also asked to advise on the general form which legislation should take and on the desirability of adopting with or without alteration the conditions suggested in paragraph 225 of the Indian Cotton Committee's Report. A copy* of the Government of India's letter is enclosed.

"4. It will be seen from the reply*, also enclosed, that the Central Cotton Committee are not in favour of the adoption of a licensing system. In coming to this decision, the Committee were not unanimous but considered on the whole that an all-India Act prescribing a licensing system would not be the best way of dealing with the admitted abuses, although, at the same time, local Governments might be enabled to introduce a licensing system to carry out certain of the prescribed conditions if they so desired.

"5. The Committee carefully examined the detailed conditions suggested in paragraph 295 of the Indian Cotton Committee's Report and came to the conclusion that the submission of statistical returns, the marking of bales and the maintenance of a record of ownership of bales were of primary importance and should be enforced by all-India legislation, and that it should be open to local Governments to frame rules to introduce such of the other reforms as they consider necessary. They suggest that these rule making powers should be conferred by sections of the all-India Act and should be wide enough to admit of the adoption of a licensing system should this system appear to the local Governments concerned to be the most effective way of securing the desired reforms.

"6. The Government of India have given their careful attention to these recommendations read in the light of the proceedings which form an enclosure to Mr. Burt's letter. They are inclined to agree with the Committee that it is impracticable to proceed with the proposal for central legislation definitely introducing a system of licensing gins and presses. And since the Indian Cotton Committee

* Not printed here. Vide file No. R-154 of 1922.

proposed that the recommendations detailed in paragraph 225 of its report should be enforced by means of conditions in the licenses, the decision has no important bearing on the whole case. At the same time much weight must be attached to the unanimous recommendation of the Central Cotton Committee that legislation should be introduced in the Central Legislature to deal with the adequte marking of bales, the compulsory maintenance of the necessary records in press-houses and the compulsory submission of statistical returns; and, if such legislation is decided on, the Government of India are at present of the opinion that it should be undertaken in the Central Legislature under the authority of section 67(2)(i) of the Government of India Act.

"7. In addition to the above three reforms, the Committee at a subsequent meeting recommended, in regard to records of ownership, that the committee should be empowered to call for declarations of ownership in cases where specific complaint had been received of the quality of a particular consignment. They also pointed out that the maintenance of such records was necessary in the interests of the press-house owner, to whom otherwise the responsibility for the quality of the cotton baled at his factory would attach.

"8. These recommendations correspond to those contained in (*f*) and (i) of paragraph 225 of the Indian Cotton Committee's Report. The Government of India are prepared to admit that it is desirable, in the interests of the trade, that cotton bales issued from all press-houses should bear the name or trade mark of the press-house and the station of origin together with the serial number of the bale, in an annual series, as it leaves the press-house; and I am to ask whether your Government considers that legislation should be undertaken with this end in view. It is perhaps more doubtful whether it is practicable to insist on the maintenance of records of ownership. The number of pressing factories in India is very large and it does not seem possible to insist effectually that such records should be maintained in each. Inspection, with a view to securing compliance, would be regarded as inquisitorial and moreover it might be difficult to arrange for such inspection except at a cost possibly disproportionate to the advantages to be gained by

the trade. At the same time, as the Central Cotton Committee have supported this suggestion, the Government of India are willing to reconsider their attitude if local Governments press for the adoption of this measure.

"9. There are obvious advantages in the proposal that the compulsory submission of statistical returns by all cotton presses should be insisted on. These returns might take the form of a monthly or possibly fortnightly statement to be submitted by each press-house owner through the Director of Agriculture of the Province concerned to the Director of Statistics; the statement to show the serial number of the last bale issued each month (or fortnight) from the press-house. This would enable the Director of Statistics to compile and publish a periodical statement of bales pressed and issued, with a running total for the season, either by areas or by provinces. The statistics thus prepared would be valuable not merely as recording progress with the baling of the crop but also as a check on the accuracy of cotton forecasts. But the principle of compulsion in the submission of statistical returns is new to India and the Government of India would be glad to know whether the proposal of the Central Cotton Committee is supported by your Government.

"10. It is unnecessary to refer in detail to the other recommendations of the Indian Cotton Committee in paragraph 225 of its report. All these recommendations were considered in turn by the Central Cotton Committee, and their concrete proposals were :—

(1) that in all new ginning factories, it should be provided, if necessary by legislation, that separate exits and entrances should be made and certain other minimum requirements supplied ;

(2) that press-houses, where cotton is handled on the ground floor, should be paved ; and

(3) that only certified standard weights prescribed for the tract should be used and that correct scales should be used.

If legislation is undertaken in the Central Legislature, it might

be possible to leave it to local Governments to deal with matters of this kind by rules, but legislation of this nature is novel in character and though it might be provided that the rules in question should be made only with the previous approval of the local Legislative Council, the Government of India will await advice before definitely committing themselves to the proposals.

"11. I am now to ask that the Government of India may be furnished with the views of your Government on the questions raised in this letter. The points on which advice is sought are summarised below :—

(1) Does your Government agree that the idea of all-India legislation for the licensing of gins and presses should be abandoned ?

(2) If so, should the Government of India proceed to introduce a bill to provide,

(*a*) for the adequate marking of bales to enable ownership to be established.

(*b*) for the compulsory maintenance of such records in the presses as are necessary for the above purpose, and

(*c*) for the compulsory submission of statistical returns by pressing factories ?

(3) If so, should the bill contain enabling clauses empowering a local Government—

(*a*) to introduce a system of licensing gins and presses if it is satisfied that such a measure is necessary, and

(*b*) to frame rules dealing with the matters referred to in paragraph 10 of this letter ?

RESOLUTION.—Copies of the letter from the Government of India should be forwarded to the Commissioner in Sind, the Commissioners of Divisions, the Director of Agriculture, the Director of Industries, the Registrar of Co-operative Societies and the Collector of Bombay for favour of their opinion on the questions raised in the letter.

The Commissioners should be requested to consult such Collectors in their respective charges as they consider necessary.

2. Copies of the letter should also be forwarded to the Chambers of Commerce Bombay and Karachi, the Indian Merchants Chamber and Bureau, the Bombay Millowners Association, the Bombay Presidency Trades Association, the East India Cotton Association, the Ahmedabad Millowners Association and the Bombay Muccadams Association for favour of their opinion on the questions raised in it

By order of the Governor in Council,

A. R. DALAL,

Deputy Secretary to Government.

No. 154-12.

3rd January 1922.

To

A. R. Dalal, Esq., M. A. I.C.S.,

Deputy Secretary to the Government of Bombay,

Revenue Department, Bombay.

Sir,

With reference to your letter of the 22nd December 1922, No. G/103, I am directed by my Committee to inform you that they agree with the purport of the Government resolution, Revenue Department, No. 103/G., dated 14th November 1922. They would, however, like that the local Government will be pleased to consult local bodies regarding rules when they are framed.

I beg etc.,

J. K. MEHTA,

Secretary.

Rules and Regulations of the Indian Merchants' Chamber.

(As finally amended by the General Meetings of the Chamber held on 28th October and 4th November 1922 and 23rd June 1923.)

Name. 1. The Association shall be styled "The Indian Merchants' Chamber".

2. The office of the Chamber will be situate in Bombay.

Objects. 3. The objects for which the Chamber is established are:—

(a) To encourage friendly feeling and unanimity among business community on all subjects connected with the common good of Indian merchants.

(b) To secure organised action on all subjects relating to the interests of the Indian business community directly and indirectly.

(c) To promote the objects of the Indian business community in matters of inland and foreign trade, shipping and transport, industry and manufacture, banking and insurance.

(d) To collect and disseminate statistical and other information securing the promotion of the objects of the Chamber, and to make efforts for the spread of commercial and economic knowledge.

(e) To take all steps which may be necessary for promoting, supporting or opposing legislation or other action affecting the aforesaid interests by the Government or any Department thereof or by any local body or bodies and in general to take the initiative to secure the welfare of the business community in all respects.

(f) To make representations to Local, Central or Imperial authorities, Executive or Legislative on any matter affecting trade, commerce, manufacture or shipping, banking or insurance.

(g) To undertake by arbitration the settlement of commercial disputes between merchants and businessmen and also to provide for arbitration in respect of disputes arising in the course of trade, industry or transport, and to secure the services of expert technical and other men to that end if necessary or desirable.

(h) To advance and promote commercial and technical education and to found and support establishments and institutions for such purposes.

(i) To undertake special enquiries and action for securing redress for legitimate grievances of any branch of trade or industry as also all such other actions as may be conducive to the extension of trade, commerce or manufactures, or incidental to the attainment of the above objects.

(j) To secure the interests and well-being of the Indian business communities abroad.

(k) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Chamber directly or indirectly.

Members. 4. There shall be three classes of members :—(1) Ordinary, (2) Patrons and (3) Honorary.

(1.) There will be three classes of ordinary members :—

(*a*)—Residents of Bombay and its suburbs who will have to pay Rs. 75 as annual subscription ; but joint stock Companies will have to pay Rs. 100 per year.

(*b*)—Mofussil members who will have to pay Rs. 25 as annual subscription.

(*c*)—Associations which will have to pay Rs. 125 as annual subscription.

Admission Fee :—All the ordinary members and patrons will have to pay Rs. 100 as admission fee which will be credited to a capital

fund of the chamber and shall not be expended on revenue account except with the consent of the general body.

(2.) Patrons:—Indian firms or individual Indian merchants can join as Patrons. Firms will have to pay Rs. 5,000 and individuals Rs. 2,500 as donation, the proceeds of which will be credited to a capital fund which shall not be expended on revenue account but the interest whereof shall be taken to revenue account.

(3.) Honorary members:—Gentlemen distinguished for public services or eminent in commerce and manufactures or otherwise interested in the aims and objects of the Chamber may be elected as Honorary members by a General Meeting of the Chamber on the recommendation of the Committee and as such shall be exempted from paying subscriptions. They shall not be entitled to vote at any meeting of the Chamber nor shall they be eligible to serve on the Committee.

Eligibility for membership of the Chamber.

5. Any Indian gentleman, firm or association engaged in mercantile pursuits or interested in trade and commerce desirous of joining the Chamber shall be eligible for membership

Election of members.

6. (*a*)—The applicant, whether an individual or a firm or an association, shall sign the admission form and send it to the Secretary with the signatures of the proposer and the seconder, who must be members of the Chamber, This application shall be submitted to the Committee who will fix the dates for the election by ballot, and appoint a scrutineer. At least seven days' notice shall be given to all the members, stating dates for voting and the names of candidates with their proposers and seconders. Votes shall be received during the said seven days from 11 A. M to 4 P. M. (B. T.)

(*b*)—On the seventh day the ballot-box shall be opened at 4 P. M. (B. T.) by a scrutineer and the Secretary who will jointly declare the result of the voting.

(*c*)—At least one-tenth of the members of the Chamber must register their votes to make the ballot valid.

(*d*)—In all voting for election to membership the presence in the ballot—box of black balls in the proportion of one in six shall exclude.

Twelve negative votes shall be deemed to exclude.

Resignation.

7. A member wishing to resign shall give written notice to the Secretary not less than one calendar month before the completion of his annual period; otherwise he will be liable for the subscription for the next year.

Disqualifications of members.

8. A member shall be deemed to be disqualified if :—

(*a*) he becomes an insolvent,

(*b*) he fails to discharge his subscription for a period extending over twelve months.

Privileges of members.

9. A member of the Chamber shall be entitled

(*a*) To obtain gratis publications of the Chamber,

(*b*) To the free use of the Chamber's library,

(*c*) To vote at all meetings of the Chamber or on any matter referred to the general body of members by circular.

(*d*) To be elected as an office-bearer of the Chamber.

Meetings of members.

10. There shall be held a meeting of members, which shall be called the Annual Ordinary General Meeting within a month of the 31st December when the official year of the chamber closes (provided that the committee can extend the period upto a fortnight by a special resolution), to transact the following business :—

(*a*)—To receive the annual report of the retiring Committee and the audited statement of accounts of the Chamber.

(*b*)—To record the declaration of the result of election of office-bearers for the ensuing year.

(*c*)—To elect an auditor for the ensuing year.

(*d*)—To transact such other business of which notice may have been given by a member five clear days before the date fixed for the Ordinary General Meeting—and of which the Secretary will have given notice to the general body of members by post or otherwise two days before the date of the meeting. There shall be held during the course of the year, in addition to the Annual Ordinary General Meeting three other ordinary meetings when a resume of the work done during the previous quarter will be supplied to members.

A Special General Meeting of members may also be called whenever the Committee think fit; and the Committee shall also call a Special General Meeting on the requisition in writing of at least 10 members of the Chamber stating the object of the meeting.

At least three days' clear notice shall be given to members specifying the day, place, hour and objects of the meeting even when the Special General Meeting is convened by the Committee.

Ten days' clear notice of all other General Meetings, whether ordinary or special, shall be given to members specifying the day, place, hour and object of the meeting. Such General Meetings will also transact such other business of which notice has been given by a member five clear days before the date fixed for the meeting and of which the Secretary has given notice either by post or otherwise to the general body of members two days before the date of the meeting.

Quorum.

11. 15 members shall be deemed a quorum for a General Meeting, whether Ordinary or Special. No business can be transacted at any General Meeting, whether Ordinary or Special, if within 30 minutes of the hour specified for the meeting

no quorum is formed. In that case the meeting shall stand adjourned to such date, hour and place as the members present at the meeting may fix.

Adjourned Meeting.

12. An adjourned meeting can transact the business for which it is called without the necessary quorum.

Chairman.

13. The Chairman of the Committee shall preside at every General Meeting, or the Vice-Chairman in his absence. In the case of the absence of the Chairman as well as the Vice-Chairman, the members present may vote one from among themselves to take the chair.

Voting at meetings.

14. Every resolution submitted to the meeting shall be decided by a vote of hands. In the case of equality of votes the Chairman shall have a casting vote in addition to his own vote. Each member has the right to speak and vote on any subject which may be submitted for consideration at any General Meeting, provided that a firm or association having more than one member shall have one vote only though its several members may be present at the meeting and take part therein.

Managing Committee.

15. At every Ordinary General Meeting there shall be elected a Committee to carry out the objects of the Chamber, consisting of the Chairman, the Vice-Chairman, and 23 members.

Vacancy in the Committee.

16. The Committee shall fill up any vacancy of an ordinary member thereof occurring during the year.

Non-attendance of a member of the Committee without the previous permission of the Committee at meetings of the Committee for three months consecutively will be considered a disqualification for his membership of the Committee and his office shall be considered vacant for the purposes of this rule.

The Secretary will send a reminder to a member of this rule if he has absented himself for two months without the required permission,

17. Any vacancy during the year in the office of the Chairman or the Vice-Chairman created by his absence from Bombay without the previous permission of the Committee for a longer period than three months or by resignation shall be filled up by election from the remaining members of the Committee in accordance with the voice of a majority of the members of the Chamber to be ascertained either by a circular or at a Special General Meeting.

Vacancy in the office of the Chairman or the Vice-Chairman.

18. The Committee shall retire at the end of its term of office but shall continue in office till its successor is appointed.

Retirement of the Committee.

19. The Committee shall frame its own rules for the purpose of regulating its proceedings which may be amended or altered or revised as it may deem expedient.

Rules of the Committee.

20. The Committee shall have the power to appoint a Secretary on such remuneration as it may deem proper and prescribe his duties and functions.

Secretary.

21. The Committee shall cause accounts of the Chamber to be kept and all receipts and funds shall be paid into such bank or banks as may be selected by it. Such accounts shall be regularly audited at the close of the year, and adopted at the Ordinary General Meeting.

Accounts of the Chamber.

22. The Committee shall meet at least once a month to dispose of all communications and references and consider all matters which may be on the agenda.

Meetings of the Committee.

23. The Committee shall cause to be kept a book in which the minutes of the proceedings shall be regularly recorded.

Minute Book.

If a member of the Chamber wishes to see this minute book he can do so after giving at least 24 hours' notice to the Secretary of the Chamber.

24. After the commencement of a new official year, representatives of principal trades who are members of the Chamber shall be asked by the Committee to elect Sub-Committees of five members from amongst themselves. All questions

Sub-committees.

relating to these trades coming before the Committee during the course of the year shall be first referred to such Sub-Committees whose suggestions shall then be placed before the Committee. Such Sub-Committees shall be formed only for those trades which have at least ten representatives as members of the Chamber. The work of electing Sub-Committees shall ordinarily be done by the representatives themselves, but they can have the assistance of the Secretary of the Chamber if they require it.

The Committee shall at their discretion appoint a Sub-Committee from among their members to consider and report upon such special matters as they may deem expedient and they shall also have the power to invite at their meeting persons other than members of the Chamber and the Committee to consult them or take their advice on such matters as may be deemed necessary.

Register of members.

25. The Secretary shall state in the register of members of the Chamber names of gentlemen who may be representing, for the time being, any members of the Chamber whether associations, firms or individuals. These names will also be given in the lists of members submitted to members for the election of office bearers and representatives on the Legislative Council and such other public bodies. The elected gentlemen will be considered to be personally elected as representing particular members, and on their place falling vacant through any reason a fresh election will be made according to the rules in force for the time being.

Any member of a firm or its representative, being on that account a member of the Chamber, on his severing the partnership or connection with the firm, will no longer be a member of the Chamber.

This rule will not affect Rule No 14.

This register shall contain details regarding business of all members and shall also record the classified lists of members according to different trades.

26. A list of members of the Chamber together with a list showing the attendance of members of the Committee at their meetings during the year shall be circulated by the Secretary amongst all the members before the 15th of September. Within a week of the

receipt thereof nominations for membership of the Committee duly proposed and seconded shall be sent to the Secretary. The Secretary shall prepare and publish a list of nominations received by him together with the names of their proposers and seconders. This list shall be called the voting paper. Voting papers shall be sent to the members of the Chamber seven clear days before the date fixed for the election.

The voting shall be by means of voting papers received in the ballot-box on days fixed by the Committee marked with crosses against the names of members whom they wish to propose as office-bearers.

This voting by ballot will be carried on in the following manner :—Big and small printed envelopes addressed to the Secretary of the Chamber will be sent to members with voting papers. Members will enclose their voting papers in the small envelope and then enclose both this envelope and a letter duly signed stating that the voting paper is sent by them in the big envelope and send this to the Secretary who will open it placing the letter with the signature in one box and the small envelope containing the voting paper, which shall be unsigned in the ballot-box.

The retiring Committee shall appoint two scrutineers who must be members of the Chamber, who with the Secretary will open the ballot-box on the day following the ballot days and declare the result. Those who have obtained the highest number of votes shall be deemed to be duly elected. But in the event of refusal to serve on the part of any one of them, the member or members who has or have obtained the next highest number of votes shall be considered to be elected in his or their place. The new Committee shall take office on the first day succeeding the holding of the Ordinary General Meeting and they shall so continue to act until the holding of the next Ordinary General Meeting. A member or members of the Chamber representing it on the Bombay Legislative Council, the Bombay Port Trust or the like public bodies will be *ex-officio* members of the Committee if they are not already members of the same.

The new Committee shall have the power to co-opt, out of the

general body of members, representatives of commercial associations or any members who, in their opinion, will prove useful to them for consultation, provided that the number of such co-opted members does not exceed five; and that the total number of the members of the Committee does not exceed 30.

Equality of Votes.

27. In the case of equality of votes recorded for the election of the Chairman or the Vice-Chairman or both the Committee will invite a second ballot as to who shall be elected. In the case of equality of votes recorded for members of the Committee lots will be drawn and the election be declared in favour of the members who draws the lot.

Visitors.

28. Any person resident out of Bombay, engaged or interested in mercantile pursuits visiting Bombay may be introduced as a visitor by any member of the Chamber who has previously obtained permission of the Chairman or in his absence the Vice-Chairman, through the Secretary provided that a residence beyond one month shall subject such visitors to the rules for the admission of members.

Funds of the Chamber.

29. All moneys or funds of the Chamber shall be primarily paid into the hands of the Secretary who shall pay the same into an account to be opened with any bank that may be approved by the Committee in the name of the Chamber. All cheques on that account shall be signed by the Chairman or in his absence by the Vice-Chairman for the time being, and a member of the Committee; in the absence of both the Chairman and the Vice-Chairman cheques shall be signed by two members of the Committee. All cheques shall be countersigned by the Secretary.

Expulsion of members.

30. The Chamber reserves to itself the right of expelling any member in case he does any act or pursues any conduct that is either in contravention of the rules of the Chamber or detrimental to its credit or is in any way injurious to its welfare and interests or by any other good and sufficient reason it is thought desirable to remove him from his membership of the Chamber. But action on that behalf shall only be taken on the resolution of a General Meeting whereat four-fifths of members present have voted in favour of the proposal.

Alteration in Rules and Regulations

31. The foregoing rules and regulations shall be copied in a book to be kept with the records of the Chamber. Printed copies of the same shall be forwarded to all the members and no alteration or addition shall be made therein or thereto save and except by a majority of three fourth of the members of the Chamber present at a General Meeting convened by a notice issued at least 7 clear days before the holding of such a meeting and in which all the terms of proposed alterations or additions shall have been clearly set forth.

RULES OF THE COURT OF ARBITRATION.

As it is desirable that there should be a tribunal for the speedy disposal of disputes and differences arising between merchants, the Indian Merchants' Chamber has adopted the following scheme :—

1. There shall be a court of Arbitration working under the supervision and guidance of the Chamber.

2. The Council of the Chamber shall prepare a list of not less than 60 persons who having consented to do so shall form the Court of Arbitration. Whenever called upon a member or members shall solely or jointly constitute a tribunal for the disposal of a case referred to him or them.

3. There shall be a committee of five members elected by the Court from among themselves who shall regulate the appointment of arbitrators by the parties for the tribunal, preparing and revising rules of procedure and preparing tables of fees to be charged and paid.

4. This Committee shall be a permanent body but so that two members thereof shall retire every year and whose places shall be filled up by the Court. The retiring members shall be eligible for re-election.

5. In electing members of the Court the Council of the Chamber shall have regard to the recommendations of the Chambers of Commerce and Trade Associations affiliated to this Chamber.

6. The Secretary of the Chamber shall be the Registrar of the Court. It shall be his duty to act as Secretary of the Court, its Committee and its tribunal and keep records and do all the executive work of the Court.

7. The rules of the Indian Arbitration Act of 1899, and Schedule 2 of the Civil Procedure Code of 1908 (Arbitration) will apply to the arbitrations under these rules except as modified by them

8. The disputants who wish to take advantage of this scheme shall execute a reference paper in the form prepared by the Committee of the Court and file the same with the Registrar.

9. The Registrar will place reference papers before the Committee of the Court. Parties should nominate arbitrators and in case of their failure to do so within a week from the day of filing reference the Committee of the Court shall appoint two arbitrators, and direct to procure their consent to act in the tribunal. This having been obtained and the tribunal constituted the Registrar shall fix a day for the trial and give notice thereof to the parties.

10. On the day fixed for trial and before they commence it, the Arbitrators if they are more than one, between themselves fix upon an Umpire who should take up the arbitration in case of the difference of opinion between the arbitrators. This name shall not be disclosed but shall be written on a paper, put in an envelope and sealed. The envelope shall be handed over to the Registrar who will open it only in case of difference of opinion and thereupon immediately request the Umpire to take up the matter.

11. The arbitrators may take oral or documentary evidence, hear parties or their agents, may take expert advice and do every thing in the matter to come to a right decision of the case.

12. Within one month from the filing of the reference, or such further time as they may extend, the arbitrators shall prepare a written award, sign the same in the presence of the Registrar and hand over the same to him

13. The arbitrators in their decision may by writing extend the

time to make their award but in no case it will be later than 3 months from the date of reference. If they fail to make the award within the time prescribed, the Registrar shall forthwith request the Umpire to take up the matter.

14. The Umpire shall make his award within a fortnight from the day he takes it up provided he extends the time to do so by writing, but such shall not exceed two months from the day on which he has taken up the matter. If he fails to give his award during that time the arbitration shall lapse and the parties may put in a fresh reference.

15. The parties to an arbitration shall pay to the Registrar such fees as may from time to time be fixed by the Committee of the Court.

16. The arbitrators of a tribunal or an Umpire shall be entitled to such fee or fees for their services as may be fixed by the Committee of the Court.

RULES FOR THE ELECTION OF PORT TRUSTEES BY THE INDIAN MERCHANTS' CHAMBER.

(Adopted at the Extra-ordinary General Meeting of the Chamber held on Wednesday, the 28th February 1923).

1. The Electoral Roll of the Chamber shall be prepared by the Secretary and circulated among the members of the Chamber at least 12 clear days before the date of the election giving particulars regarding the respective trade or trades of each member. Protests, if any, against the allocation of a member to a particular trade or trades will be examined by a Sub-Committee consisting of two members appointed by the Committee and the Secretary, (whose decision shall be final) on any such date as may be fixed by them. Changes regarding other items in the Electoral Roll shall be notified to the Secretary within three days of the issue of such a roll which shall be amended accordingly. No vote by proxy shall be allowed.

2. Candidates for the election as Port Trustees, as well as voters, should be members of the Chamber or duly nominated representatives of the members of the Chamber, with their names registered as such in the Register of Members of the Chamber and the Electoral Roll, provided that candidates must always be Indians.

3. The Committee of the Chamber shall as and when necessary invite applications from members for election as Trustees of Port of Bombay and shall fix the date on which the election shall be held provided that there shall be the following allocation of seats to different trade interests:—

Trades	*Seats.*
Cotton	1
Piece goods	1
Grain and Seeds	1
General	2

There may be any number of candidates from each of these sections but only the number allotted to each shall be elected.

4. Any member desirous of standing as a candidate for the election shall signify in writing such his desire to the Secretary seven clear days before the date fixed for the election, and send his nomination signed by his proposer and seconder who must be members of the Chamber, stating clearly which particular section he wants to represent for purposes of the election. No candidates shall be allowed to stand for more than one section.

5. If the number of candidates for election for different sections shall be the same as the number of vacancies the candidates shall be deemed to be duly elected.

6 If the number of candidates for election for different sections shall exceed the number of vacancies the Secretary

shall send the names of such candidates to each member of the Chamber three clear days before the date fixed for the election, giving particulars regarding the trade which each candidate represents.

7. The Committee of the Chamber shall appoint two Scrutineers for the scrutiny of voting papers at least 7 clear days before the date of the election.

8. On the day of the election the ballot-box will remain open from 10 a.m. to 6 p.m. (S. T.) in the office of the Chamber. Voting papers will be supplied to members of the Chamber in the office of the Chamber and members will fill these up and place them in the ballot-box. The counterfoils of these Voting papers shall be first signed by members which shall be retained by the Secretary. The ballot-box will be in charge of the Secretary or an officer of the Chamber appointed by him. Scrutineers will seal the ballot-box at 6 p m (S. T.) on the day of the election and after scrutinising the voting papers shall on the day following along with the Secretary declare the result. No duplicate voting paper will be issued unless the original is returned. Candidates and their agents shall not be allowed in the room in which the ballot-box is placed, excepting for the purpose of registering their own votes.

9. The candidate or, where there is more than one Trustee to be elected for the different sections the candidates, not exceeding the number of Trustees to be elected, who has or have the largest number of votes shall be declared duly elected.

10. In the event of an equality of votes preventing the due election of any of the candidates the members shall vote afresh in the manner above laid down in respect of the candidates having an equal number of votes.

11. In the event of a casual vacancy or temporary absence of a Trustee the same course shall be followed in the appointment of a substitute.

RULES FOR THE ELECTION BY THE CHAMBER OF A REPRESENTATIVE ON THE BOMBAY MUNICIPAL CORPORATION.

(Adopted at the third Quarterly General Meeting of the Chamber held on 11th November 1922).

(1) Candidates for the election as a corporator of the Bombay Municipality, as well as voters therefor, should be members of the Chamber or representatives deputed by member firms or member associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.

(2) Those members who wish to become candidates in confirmity with Rule 1 should send their names to the office of the Chamber twelve clear days before the date fixed for the election together with the names of proposers and seconders.

(3) The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

(4) The Secretary of the Chamber shall circulate the names of candidates at least seven clear days before the date fixed for election.

(5) The Committee shall fix a day (notice thereof shall be given to all the members of the Chamber) on which the ballot-box will be kept open from 10 a.m. to 6 p.m. (S.T.). Voting papers will be provided to the members in the office of the Chamber and the members will be required to place them duly filled in, in the ballot-box. The slips containing the signature of the members voting will be placed in another box. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. At 6 p.m. (S.T.) on the date of the election the Scrutineers shall seal the ballot box and

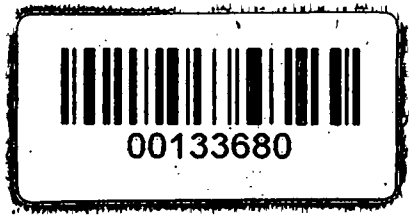
on the next day after scrutinising the voting papers declare the result of the election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purpose of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

(6) The candidate who gets the highest number of votes shall be declared duly elected.

(7) In the event of two or more candidates getting an equal number of votes the election shall be held afresh in the manner above laid down in respect of candidates getting an equal number of votes.

(8) In the case of there being only one candidate, he shall be declared to be duly elected.

(9) In the case of a casual vacancy necessitating the election of a substitute the election shall be made in the manner above laid down.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